THE EMPIRE CLUB

ADDRESSES 1967-1968

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The Empire Club of Canada

GRAHAM M. GORE
President – 1967-1968

ADDRESSES 1967-1968

The Empire Club of Canada

GOD SAVE THE QUEEN

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The Empire Club of Canada

Sixty-Fifth Year of Issue

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†*Deceased*

EXCERPT FROM *Origin and Objects of the Empire Club*
PUBLISHED IN *The Year Book for 1903-04*

On November 18th, 1903, a small meeting was held in Webb's Restaurant, Toronto, mainly on the initiative of Lieut. Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principles and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb's Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

The opinions and views expressed in the Addresses contained in this volume are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

Edited by John W. Griffin.

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The Empire Club of Canada

MAY 17, 1967

Conservative Party Policy in Britain

AN ADDRESS BY The Rt. Hon. Edward Heath,
M.B.E., P.C.
LEADER OF THE CONSERVATIVE PARTY IN GREAT BRITAIN

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

Yesterday afternoon – Tuesday, May 16, 1967 – was the day of the funeral of Dana Harris Porter, a distinguished Canadian and a Past President of this Club.

Since 1958 Dana Porter had been Chief Justice of Ontario. Before that his posts in the provincial government included those of Education Minister, Attorney General, and Provincial Treasurer. A Conservative by party and by instinct he was, during his lifetime, responsible for many progressive changes – the easing of the censorship laws, the removal of the six per cent ceiling on bank rates, the legalization of Sunday sports, the expansion of the probationary system, and many aspects of educational reform.

Mr. Porter was President of the Empire Club of Canada in the year 1934-1935, and many of us here today have warm memories of him. If I may be permitted a personal reference I knew him in his capacity as the Minister of Education for Ontario and as a fellow-elder in the same church. I know that there are many members of this Club who counted him a personal friend and who will miss his learning, his wit, and his counsel.

Mr. Porter is survived by his wife and by his two sons, Dana Jr., and Julian. As a mark of our sympathy to them and in memory of a friend and Past President of the Empire Club of Canada I ask you to rise and observe a moment of silence for Dana Harris Porter.

Mr. Gore continued:

As Victor Hugo lay dying in Paris in 1885, he wrote these prophetic words – "I represent a party that does not yet exist: the party of revolution, of civilization. This party will make the twentieth century. There will issue from it first the United States of Europe, then the United States of the World." Twenty-five years ago, Wendell Wilkie was introducing his concept of one world as the United States was breaking out of the chains of isolationism. Today we are all aware of Marshall McCluhan who keeps telling us that the whole world is now a global village.

The things that these prophets of the future have talked about in different generations are now slowly becoming realities because of the work of men with imagination, initiative and tenacity. One of these realities is the Common Market system of Europe which has been operating effectively the past few years. As you know, the common market is currently in the news because of Britain's renewed application to become a member. Our speaker today is the man who conducted the first negotiations with the heads of the European economic community on the question of Britain's entry into the common market.

He was born at Broadstairs and was educated at the local schools. He went up to Balliol College, Oxford, where he read philosophy, politics and economics and won an Organ scholarship. During his time at Oxford, he was, among other things, President of the Oxford University Conservative Association.

Our speaker had planned to make a career at the Bar, but on the outbreak of World War II he enlisted in the

Royal Artillery. He took part in the campaign in northwest Europe, was awarded the M.B.E. (military), was mentioned in dispatches, and was demobilized with the rank of lieutenant-colonel.

After the war he worked at the Ministry of Civil Aviation, but in 1947 he resigned in order to enter politics. At the 1950 general election he won the marginal seat of Bexley from a former socialist member, and has held it since.

Between the time of leaving the Ministry and going into Parliament, our speaker worked in journalism and in merchant banking.

He was one of the group of nine young Conservative M.P.'s who wrote an important book "One Nation – A Tory Approach to Social Problems", published in 1950, which had an important influence on the party's thinking on social and industrial affairs.

In 1951 Sir Winston Churchill appointed him an Assistant Whip. When the Conservatives regained power in the autumn of that year he became Lord Commissioner of the Treasury. In December 1955 he was sworn a Member of the Privy Council.

Our speaker became Minister of Labour 1959-60, and from 1960 to October 1963 served as Lord Privy Seal and spokesman in the House of Commons for all Foreign Office affairs.

It was during the latter period that he conducted the negotiations with the heads of the European economic community on the question of Britain's entry to the Common Market. Although the negotiations fell through he was widely acclaimed in Europe for his handling of them on behalf of Britain and for his leadership of the British team. His efforts in the cause of European unity were recognized by the award of the Charlemagne Prize – given each year for "The Most Notable Achievement in the Service of International Understanding and Co-operation in Europe". Sir Winston Churchill is the only other Englishman to have received this award.

Since becoming Leader of the Opposition in 1965, he has led in a vigorous and unremitting campaign against socialism. In addition, fact-finding tours have taken him not only to the various regions in Britain to study local problems, but to Europe, the Far East and the United States to keep in personal touch with international affairs. In his personal and private life Mr. Heath enjoys motor-boating and fishing, and is an accomplished musician.

It is my pleasure to introduce to you a soldier, a political leader, a diplomat, an 'international' man – Leader of the Conservative Party and Leader of the Opposition in the British House of Commons, the Right Honourable Edward Heath, M.B.E., P.C., MP.

MR. HEATH:

Mr. President and gentlemen, it is an immense pleasure for me to be lunching with you here today in this distinguished Club, about which I have so often heard tell from my predecessors, as Leader of the Conservative Party in Britain, Harold Macmillan and Sir Alec Douglas-Home, and also from Lord Amory, who was here with you so recently. I would like to thank you, Mr. President, for the warm welcome which you have given to me and the words which you have spoken and to say how particularly delighted I was to find in the course of them that I had one supporter present; more than the average usually granted to a politician.

As I listened to that long description with which you regaled this Club today, I noticed the particular emphasis you put upon it, that rather sort of solemn tone you adopted when you said I had been Minister of Labour, expecting thereby to bring about the end of a politician.

Fortunately I survived that and went on to be Lord Privy Seal, which you mentioned with a suitable air of mystery, quite rightly because it was quite obvious you didn't know what it was all about, which is understandable because nobody at home does either.

In fact, the Lord Privy Seal is one of the high offices of state which was created in 1372 and it has no departmental responsibility. I took it up when I moved to take charge of the negotiations in Europe and I used to reflect, late at night, that my first predecessor in 1372 would have had a very much easier time, as at that particular period of the century, the King of England commanded by far the greater part of France. I would have liked to be in that position.

So, I was Lord Privy Seal and as I travelled in Europe I found myself described in Germany and Austria as the Lord Siegelbewahrer. Then when I got to Brussels or Paris I was described as the Lord du Sceau Privé the accent on the last word.

This great office was defined by Ernest Bevin, who was asked when he undertook it, what it meant and he said, "I haven't got a clue. All I know is that he is neither a lord, nor a privy, nor a seal."

Being here today and on this visit to Canada, allows me to pay tribute as Leader of Her Majesty's Opposition, in this Centennial year to the great achievements of your country and say how much we admire them and, if I may, to say that we share in the pride which you have during this year in your very great achievements.

Naturally as a politician, as a Member of Parliament, and as one who seconded the resolution of congratulations to your own Parliament in the House of Commons just a few weeks ago, I rejoice particularly in the development of your parliamentary institutions and the way in which they have been able to cope with the scale and diversity of this great country over the century.

I have been happy to work with Ministers in this country, both Liberal and Conservative, and see here today many friends, including Donald Fleming. We once travelled across Africa together and if you can remain friends at the end of that, there can't be very much wrong with Anglo-Canadian relationships.

I greatly admire the work and quality of your civil servants and particularly perhaps of the Diplomatic Service. Again I admire the part which Canada has played, particularly in the post-war years, in international affairs, a part which she has been able to play because of her integrity and sympathy and her understanding with those countries, whether they are developed or under-developed, and with the problems which they have in the modern world.

At home we admire as much as anything the immensely rapid rate of economic growth which you have had in this country and the way in which it is continuing; and perhaps above all, the robustness which characterizes Canada in all its aspirations – a characteristic which we in Britain have in common.

Never, I suppose, was it more characterized than by that great man, Winston Churchill himself, to whom we all owe so much.

I was privileged, as you said, Mr. President, to have my first appointment at his hands and I remember very well when I took it. I was completely new and unknown and he patted me on the shoulder and said, "I am glad you are going to do this. It will mean very much hard work" – and it certainly did and still does. He said, "It will be unremunerated" – and it was, almost still is. But he said, "So long as I am your leader, it will never be unthanked." And I thought this was a most charming Churchillian approach to a very young and inexperienced man, taking up his first appointment; and in all the years I served, differences of opinion were not things to be undertaken lightly or wantonly.

When we came into office in 1951 we had a very small majority of 16, which was thought to be a very small majority in those days. At least it was a majority and Mr. Churchill laid down that not more than four Members of Parliament would ever travel in the same airplane together, and if they did so, two must come from each side. He also said they must have approximately the same majorities.

Having laid down the principle he said, "It is now for you, the Whips, to see that this is carried out." This is the privilege of these great men, but when you have to watch airplanes from Djakarta to Durban to Detroit to see what Members of Parliament are up to, it is not easy to carry through!

Then one terrible day I discovered suddenly that the next day we had eight Members of Parliament going on a Parliamentary delegation to Finland. The first half of the journey was all right but on the second half they were all in the same airplane. I reported this to the Chief Whip who said in that rather casual way which Chief Whips have, "I think you had better go and tell the Prime Minister yourself about this."

So I went to see the great man. There he was brooding at his desk and he said, "Well?" and I said, "Prime Minister, tomorrow a Parliamentary delegation is going to Helsinki." And he said, "Must they go to Helsinki?" Well, I thought this wasn't really a very auspicious beginning and I said, "Yes, they must, Prime Minister, because the President is going to greet them and everything is arranged." I said, "I have something to tell you. For the first half of the journey they will be travelling in two airplanes to Copenhagen." He looked at me and said, "Copenh*aa*gen."

Well, I was very young and green and brash and I had memories of Danny Kaye going around and around in my head ("Wonderful, wonderful Copenhagen") and I said – it makes me go hot and cold now – I said, "Prime Minister, I have always understood it was called Copenhagen." A dark cloud came over his face and he said, "Young man, these words are meant to be pronounced by Englishmen in an English way and in future you will say Copenh*aa*gen. Good day."

Well, by this time I had learnt my lesson and I said, "Thank you, Prime Minister, good day," and he never knew about the eight Members of Parliament. So, it is a robustness which we have in common.

I wanted to spend a few minutes today, if I may, talking to you about the policy of my own Party at home. It is always a difficult lot for a politician abroad. As you known he can never criticise his own home government and he can't comment on anybody's else's government – not that I would wish to do so – but it therefore leaves me only in the position of being able to tell you about our own policies.

The Conservative Party in Britain went out of power in 1964 after 13 years of what, I believe, historians will come to regard as very great achievements in the post-war world. But those two and a half years have given us the opportunity of re-thinking our policy, and we have done an enormous amount about it, of re-constructing our organization and developing our research work in a very high degree and of bringing in a very large number of new, young and immensely able candidates.

I therefore am very gratified with the progress which we have so far been able to make. This has been done in what has been a difficult period. In fact, we have had no successes since 1959. Eight years is a long time for a party not to be able to point to specific successes. Nevertheless, we have, in the past two months, seen some of the fruits of the work which we have been doing; very often doing quietly behind the scenes but under great criticism from outside and as a result of the local government by-elections, we now control 56 of the 59 counties in England and Wales and Scotland and we control all the great cities from London downwards, with the exception of two: Glasgow and Sheffield. Never before in the post-war history has any party commanded the whole, almost the whole, of local government in the way in which the Conservative Party at home now does.

But I would like to give you the indications of the policies as they have now emerged. I say as a forecast that the Conservative Party under my leadership is going to be the Party of free enterprise, the Party of freedom of choice and the Party of social welfare.

Those three things, I believe, ought to be compatible and indeed, to be dependent upon each other. We believe in private enterprise, we understand private enterprise, we usually encourage private enterprise because we believe that nothing can be achieved in this world except through the individual efforts of men and women, and for this they need to have encouragement and incentive.

Freedom of choice we believe in expanding as widely as possible and I would like to indicate some ways in the social service in which we believe this can be brought about.

Social welfare is essential for the welfare of our people, but a strong private enterprise economy is essential as a sound basis for social welfare.

Let me then talk for a moment or two about the sort of economy we want to bring about. We want to see a high-wage, low-cost economy. We believe in high wages. We do not believe that you can bring out the best in men and women by holding them back under constant restraint. We have opposed compulsion whenever it has been proposed. We believe above everything that the best can only be produced if there is competition and if people are given the opportunity to give their best.

Therefore, we want to see high wages and we want to see low costs. We believe that this can be brought about by a combination of policies which require considerable changes in the British economy today; particularly a much higher level of training of management, both at the top level and for those who are leaving universities. Much greater scope for the training of skilled labour, which learning from our own lessons of the past, has in fact proved to be the economic bottleneck on every occasion on which we have gone for expansion in the British economy.

But above all it is essential, if we are to have a low-cost economy, that we should do away with restrictive practices on the shop floor and this means the complete reform of trade union legislation in Britain.

We have already tackled the problem of restrictive practices in the board room with very considerable success. I, myself, when President of the Board of Trade and against the wish of a considerable part of my Party, forced through the Bill to abolish re-sale price maintenance, or fair trading, as I believe it is described in North America.

I must say I was first of all under the impression that everybody in my Party and everybody in industry and trade believed in competition. I discovered with regret that this is not always the case.

There are some who feel that life is so much easier if there isn't too much competition around, but we fought this one through and the country is now reaping the rewards. As far as Britain is concerned we must have a competitive economy and if we cannot compete at home, we shall certainly never compete abroad. That is fundamental.

Next there is the reform of trade union legislation, for which we have put forward very detailed proposals. We believe that Parliament must create a Registrar of Trade Unions; that Parliament must lay down the guide lines for trade union rules, and these rules must exclude restrictive practices; that trade unions will not have the benefit of exemptions from the law unless they are prepared to comply with the rules. We believe we must establish industrial courts in the main centres of the country to deal with differences between employer and employee and between trade unions and their individual members.

Now, this, of course, is a very comprehensive program of trade union reform but it does go to the root of the problem of a free-enterprise economy, which is that you must keep the balance in the economy.

In the 19th century in Britain the balance was far too heavily weighted on the side of the employer and the corporation. In the post-war world, with the levels of employment which a free democracy expects, the balance has been far too heavily weighted on the side of the trade union officials. Therefore, the balance must be redressed and equalized and you can only do it through trade union reform. Only in that way can you get an effective free-enterprise economy.

Of course, I have been speaking of industry but we are now putting forward proposals for a complete change of our agricultural support price system. We believe we should no longer go on subsidizing, through the treasury, the consumer buying food cheaply. We believe the consumer should pay the price of production in Britain. This should be achieved by levies applied to the imports, which means the treasury takes the levies, it saves the subsidies and at last we can get room for manoeuvre in the British tax system.

This brings me to the next point, which is that if we are to have an effective free-enterprise economy, with the reform of trade union legislation, the training of management, we must change our present tax system. Of course, it has been much complicated in the last two and a half years. It is said the best brains in Britain are today used to find ways and means of avoiding tax. This is quite unfair. That is not the case. The best brains in Britain today are used in trying even to understand the tax system.

So, therefore we need to make a good many changes, to redress the balance between direct and indirect taxation, to accept the corporation tax as a permanent tax, but again to change its structure because it is militating against investment. The result is that companies are naturally maintaining their dividends and being left with much smaller resources for investment in the corporation.

The capital gains tax is on a level which we consider to be vicious and penal, and the selective employment tax is, we believe, one of the most ridiculous taxes ever devised. We shall therefore abolish it.

I don't know if you know about it. It is a tax which is applied to employers. If you are in a service industry you pay a tax on each man and half the tax on a woman, which I think is offensive to women, and if you are in industry you then receive a subsidy. The object is said to be to reduce manpower. It is nonsensical to think those paying 7/6d. for every man and woman employed will encourage the better use of manpower, but we certainly do need to make more effective use of our present resources of manpower.

So, I come now to the question of social services. Here we believe in the comprehensive system as a basic system, but above that we believe the time has now come when the citizen should have his freedom of choice as to the way in which he covers his social security benefits. This, of course, extends to housing and local authority housing. We believe that fair rents ought to be paid except for those in need.

On education we believe people should have the opportunity of paying for their own children's education at private schools if they wish to do so. In health, we wish to encourage people to subscribe to individual schemes of health insurance if they wish to obtain additional advantages over and above the National Health Service. In insurance, we propose that in addition to the basic scheme, everyone should be compelled to take out a scheme of their own, which is within certain limits and which can be done as a superannuation scheme through their own firms, or if they are self-employed, through their own insurance companies.

So, this is our general approach now to the social services; to get the basic scheme and to enable the individual to develop his own requirements with freedom of choice.

I come lastly in our policy to the whole field of foreign affairs. You have mentioned, Mr. President, the great interest and concern which I have, of course, with Europe. My own Party is now formally committed to a European policy. We supported the present government in their application which has been described as a historic application. This, of course, is not strictly true. We made the application in 1961. What is historic is it is the first time all three Parties in the British Parliament have, in the lobby, given a vote by an overwhelming majority for an European policy. That is the historic characteristic of the present situation.

Now, I don't want to go into the present situation. All I want to say is first of all that I have always regarded the European policy as a long-term policy for Britain. It is a long-term policy if we become a member of the community, and it is a long-term policy if we don't become a member at the moment, because I believe that in the long run this is Britain's part in the world for the rest of this century and the years afterwards.

We now live in a changing pattern of international relationships. We have seen the emergence of the two great super-powers, the United States and the U.S.S.R. There may be the emergence of a third in China. As a country, through all our history, we have had to exploit to the utmost our small-scale and limited resources and we have done so extensively.

Nevertheless, we cannot compete either economically, or politically, or militarily with the great super-powers as they are now emerging. So, I see this as a long-term policy, but it is not a policy of withdrawal. There are some I know, perhaps here in the Commonwealth, elsewhere and in North America who regard it as a policy of withdrawal into a fortressed Europe. My conception is exactly the reverse. It is a policy which gives us a base, a sound economic base with a large market of nearly 300 million people when it is brought together. A sound base from which we can exert our political and military influence elsewhere in the world, and a base which I hope will eventually mean that Europe as a continent will once again exert its influence in the world.

How quickly things have changed. One has only to look back at my time in Oxford when Europe was still the centre of world affairs. There were the capitals of the great colonial empires and yet within a few years they had disappeared. The British Empire, unique in its own characteristics, became a family of independent and equal nations, but for the rest, they have disappeared and Europe's influence has gone.

Many of us in Europe want to see that influence, which we believe to be for good, re-created. And so the purpose of the European policy is to give us the basis on which we can do that.

I would like to say just one word about the Commonwealth, because I am one of those who believes if one understands the true nature of the Commonwealth, it has an immensely important purpose still to perform. What is more, I do not believe, I have never believed, that it will be damaged in its essentials by the European policy – if Britain is successful in carrying it out.

All those things that we have in common: the Crown, either as the Crown or as Head of the Commonwealth; the same background of law, of common law; the same background of administration; the immensely close professional ties, which in modern years have become closer; and above all the relationship between friends and families which exist over so large a part of the Commonwealth; all of these things will continue.

But in particular, in the political sphere that daily, indeed hourly consultation which goes on the whole time between all the members of the Commonwealth and particularly between the members of the older Commonwealth, will continue. Indeed I believe that if we succeed in becoming a member of the European Common Market, it would become even more valuable to the members of the Commonwealth because they would have, so to speak, a direct line not only to London, but from London to all the other centres, to Europe as a whole and to that developing European influence. I have always believed that in the long run in this political aspect, our European policy is of immense importance also to the Commonwealth as a whole.

The Commonwealth is changing and that we accept entirely. In Britain I have always said, we must never presume on the past, neither must we be intimidated by the past. We can be proud of the past but we must not presume upon it.

Today in Britain in any aspect of the matter, whether it is political or commercial, we must stand on our own feet and be judged on our own merits. That is all we ask. Let us have a fair deal and be judged entirely on our own merits. We can ask for nothing more and we cannot complain if we get nothing more. I hope you will feel that this robust attitude towards our position as a member of the Commonwealth is right today.

So Europe becomes the long-term policy and I believe it will help us economically. But above all there is the political reason for wanting to join the influence of Europe. I suppose the main reason there is to ensure that an emerging Germany economically strong should be bound as closely and as tightly as possible into the European family so that never again can we suffer the strife which we have all suffered in the past, in the two World Wars in which you have played a noble part. Nor can we see Germany going its own way in neutralism or towards the east, because that would be equally damaging to the new and emerging Europe.

This then is the basis in the Conservative Party for the European policy we have developed, Mr. President, and I have tried to put before you the things which are motivating us in the new Conservative Party at home.

There are certain characteristics of the British which I think are of importance at this time. First of all, there is the characteristic of fairness. I think most people about the world, whatever grumbles and complaints they may have about us, say on the whole that the British try to be fair and this is true. But there is always a danger about fairness in that it can deteriorate into equality and egalitarianism. Instead of seeing that people get their dues and merits, it can deteriorate into the question, "Why is he getting more than I am; can't it be stopped?"

The other characteristic of the British is that of taking risks. Sometimes I think the rest of the world admits this as well, and sometimes they think we are a little mad to take the risks. Some, like Francis Chichester do it for the sheer love of doing it. Most of us are not made that way. We do it because we know at the end of it there is something more for our family and something more for ourselves.

The trouble comes when fairness deteriorates into egalitarianism. Then people say, "Why should we take any risks, because there is nothing more in it? We might just as well sit back and not take them."

I regard our last main task in the Conservative Party in Britain today to ensure that once again we return to the characteristics of fairness and taking risks, because these are in accordance with our traditions, with our past history. It is what made us great in former days and I believe they are the characteristics which, supported by energy and determination, can make Britain great once again.

I have no doubt about the present generation in Britain. I have an immense admiration for their energy, for their tirelessness, for their gaiety, for their vitality; it is simply tremendous. Given the opportunity they can do even better than any of their forefathers have done. When you look at Britain today in so many spheres, do not become entirely obsessed with the economics. If you look at the arts and culture, if you look at my own interest in music, London is the greatest musical capital in the world. No other city has five symphony orchestras. No other country has the greatest modern composer of the age of Benjamin Britten.

We have great artists of world renown, men like Graham Sutherland and sculptors like Henry Moore.

As for architecture, last Sunday afternoon I was at the opening of the new Roman Catholic Cathedral in Liverpool. The Anglican Cathedral there is almost finished and so also is the Cathedral in Guildford. Which other country can show its spiritual interest by building three great Cathedrals at the same time?

So I have no doubts about the modern Britain. It should be the equal of anything we have been in the past.

I have tried to express to you, not only my Party's views but also what I feel today, as the leader of a great Party, about Britain and the future which lies before us.

Thanks of the meeting were expressed by D. H. W. Bath.

MAY 24, 1967

Asia Today

AN ADDRESS BY The Hon. Richard M. Nixon
FORMER VICE-PRESIDENT OF THE
UNITED STATES OF AMERICA

CHAIRMAN The First Vice-President,
E. B. Jolliffe, Q.C.

MR. JOLLIFFE:

In the year 1960, and in the dreary month of November – when the weather generally was much like that of Toronto in the merry month of May – and on a Tuesday in that November, many millions of American citizens went to the polls to choose the next President of the United States.

The long, slow count that night and into the early morning hours had all the tension of prolonged overtime in the last game of the final series in a play-off for the Stanley Cup.

When all the ballots had been tallied the result gave one candidate, in terms of the popular vote, about one-tenth of one per cent less than the other. He carried 26 states and his opponent 23 – both of them lost Mississippi, for reasons I shall not discuss – but the issue was decided by electoral votes. Rarely, if ever, has the margin been as narrow.

The man who came so close on that occasion to achieving the highest office of trust, responsibility and power in the gift of his countrymen, was our distinguished guest of this evening, the Honourable Richard M. Nixon.

Mr. Nixon was born in what is now the most populous state in the Union, California, but his Irish and Quaker ancestors were long established in Pennsylvania and Ohio. In California he practised for five years after graduating from Whittier College and Duke Law School. And it was from California that he went to Washington as a Congressman from 1946 to 1950 and as a Senator from 1950 to 1952.

His abilities were so swiftly recognized that less than six years after his first election he became General Eisenhower's running-mate and for the ensuing eight years he was the 36th Vice-President of the United States.

His terms of office were distinctive and historic. The constitution of his country is somewhat less than precise about the Vice-Presidency. Partly by force of circumstance and even more by virtue of his own capacity, Mr. Nixon moved from a traditionally passive or ornamental role into one of active participation in decision-making, not only as the President's understudy during three periods of serious illness, but as a policy-maker within the inner circles of the administration. At Washington, these were and are awesome responsibilities, the like of which have never before been known.

It would be an understatement to say that Mr. Nixon is a much-travelled man. During the war years he served with the Navy in the South Pacific, attaining the rank of Lieutenant-Commander. As a Congressman he familiarized himself with war-torn Western Europe. As Vice-President he visited 56 countries on five continents. As presidential candidate in 1960 he campaigned in every state of the Union, the first time it had ever been done. In the last three years he has seen at least 20 different countries, on many visits to Europe, the Soviet Union, the Middle East and the Far East.

As I am sure Mr. Nixon knows, this country deeply treasures our British and French heritage, our membership in the Commonwealth, our long-standing friendship with the United States and our own right of self-determination.

The friendship is such that our disputes of the last century are remembered more in jest than in recrimination. In 1813 American forces landed here, less than a mile from this spot, burned old Fort York and the Parliament Buildings, which some would think a highly appropriate choice, and sacked the town, such as it was, but Mr. Nixon has seen the growing city around us today and he will agree that we have almost fully recovered from that invasion. We believe the damage inflicted on Washington and the White House in reprisal has been repaired by now, and all is forgiven.

It is natural that the relationship should be an intimate one, for most of us here have Americans as colleagues, friends and relatives. In matters of trade they are our best customers and we are theirs. Of course it has not been possible, and it was not to be expected, that we would always share identically the same view of world affairs. Indeed in 1914 and again in 1939, we set out on very different paths. However, it shall never be forgotten how much the present and all future generations owe, not only to Britain and the Commonwealth for what happened in 1940 and 1941, but also to the U.S.A. for its mighty contribution and its decisive leadership in the defeat of German tyranny in Europe and Japanese tyranny in Asia, and its leadership in the difficult years which followed. Our guest, as a leading Congressman, was in the forefront of those who made possible the Marshall Plan and the salvation of Western Europe. Like the late Wendell Wilkie, he was quick to recognize the importance of the world to America and of America to the world.

Gentlemen, I now present to you the Honourable Richard M. Nixon.

MR. NIXON:

Mr. President, Colonel Drew, distinguished guests, after that very gracious and generous introduction and your warm reception, I can only conclude that I ran for president of the wrong organization.

Your President has correctly pointed out that, as Vice-President of the United States, I visited 56 countries around the world. In all of those official visits, I never had the opportunity to visit Canada. Now, there is a reason for that, a reason which is a compliment to this country. President Eisenhower only sent me to places where we had troubles. So I am here now.

I must say so far my reception has been very warm and I am doubly grateful. I haven't argued with anybody in the kitchen, I haven't been stoned. Although I have been informed that if I accepted some of that Newfoundland "Screech" I would be stoned.

On an occasion like this, the speaker from the United States has a formula which is sure-fire for an audience. Inevitably, almost invariably the speaker ends up with a speech that goes somewhat like this.

A discussion of those great traditions we have in common: the common law, the English language, the representative system of government. A discussion of those great conflicts in which we have been comrades in arms, World War I, World War II. A reference always to the greatest, longest border in all the world which is not guarded by either side. These are some of the sure-fire things that can be said when an American is speaking in Canada or a Canadian speaking in the United States.

I am going to depart from that formula tonight, not because it isn't more pleasant to refer to those things on which we agree; but because this is a special kind of organization with a very special name, The Empire Club.

Now, I understand that many organizations that were formerly called Empire Clubs have changed their names in recent years. This one hasn't. To me that is significant and appropriate. It also gives me the opportunity to discuss a subject which I think will be of more interest to you, while somewhat more controversial. When we think in modern terms, "Empire" does not refer to what happened two centuries, one century ago. It refers, in my view, to a world outlook by those who are its members.

I know that an audience in Canada has interests in the Pacific and in the European area, as well as the United States, I know that this organization and its members are vitally interested in more not than just the bilateral problems that sometimes may divide us. An organization like this thinks of the world. I am sure it also thinks of the role that this country and the United States will play in the world in the last third of the 20th century.

When I mention Canada and the United States in juxtaposition, I am sure that some of you will say, "How can you really put a country of 20 million in the same context as one with 200 million?" The answer is, of course, that while our populations are very different, while our gross national product may be different, while our interests are not always the same, we are parallel on the great issues. We should have in mind that there are no two countries in the world today which, as far as the Pacific area is concerned, as far as Asia is concerned, have a greater interest in what happens there. Also, no two countries outside of Asia that can have a greater influence on what happens there.

This has happened because of the withdrawal of Europe from Asia, especially because of the withdrawal of Britain from Asia. This is true too because the United States and Canada look beyond the present troubles which seem to obscure the larger picture and we can see the great promise of what could happen if Asia could develop its potential and what that would mean to Canada and the United States.

I would like to discuss Asia today in terms not only of the present, but in terms of the promises of the future. In order to report objectively and honestly I must begin with an issue of some controversy: Vietnam.

As one who is vitally interested in America's relationships with its allies and friends around the world, I would have the very strongest motivation to remove an irritant.

It is an irritant in the United States relationship with Britain and France and the other countries in the great alliance. It is an irritant too in the relationship between the United States and some of its friends to the south in Latin America and an irritant too with some of its friends in Canada. Finally as a politician and as one who is sometimes a partisan, I would naturally like to find an issue on which I can be, not only partisan, but also speak for the best interests of my country at the same time and therefore be against what the national administration is doing.

I want to tell you why I, as a member of the loyal opposition, I believe that the commitment that the United States has made to stop conquest by export of revolution in Vietnam is one that had to be made, one that must be carried through to a successful conclusion and one that, when it is concluded, will open an entirely new era for peace, for freedom and for progress in Asia. That is my conclusion.

Let me give you the reasons for it and at the outset let me, of course, say that many people with as large and more background than I have in foreign affairs have reached a different conclusion. They could be right. But based on my travels of that area, based on my analysis of foreign policy, not only in the present but in the years past, I believe that some of these conclusions that I now will report to you are worth considering.

Looking at this war in Vietnam, let me present it first in terms of how it began. I do this not because this sophisticated audience is not aware of it but because in country after country I had statesmen ask questions about Vietnam which proceeded on the assumption that the United States was the aggressor in Vietnam. Let us begin with one fact and that is that the war in Vietnam began and the United States participation in it became necessary because North Vietnam sent logistical support, men, materials, into South Vietnam for the purpose of inspiring and supporting a revolution designed to take over South Vietnam and bring it under the domination of North Vietnam.

Had the North Vietnamese intervention not occurred the support of the United States of America would not have been necessary in my view. It could have been handled by the South Vietnamese themselves, weak as they were at that time. But once North Vietnam moved in the United States at the request of South Vietnam sent men, money and materials to South Vietnam.

Here let us understand one point as to what the American objective is not. Our purpose there is not to conquer North Vietnam. Our purpose is not to punish North Vietnam. The United States is assisting South Vietnam in its attempt to retain the right to choose the kind of government it wants. Once that right is assured, once the aggression subsides to a level that the South Vietnamese can contain, then the American commitment can be withdrawn.

We hear so often of the risks of winning the war over aggression in Vietnam. It is said that if the United States persisted in attempting to assist South Vietnam to win the war over aggression in the south that there was a great risk of starting World War III.

I would put the proposition another way. I think the risk of winning in South Vietnam is infinitely less than the risk of losing. If the United States had not come to the assistance of South Vietnam, or if, the United States either at the conference table or by precipitate withdrawal allows North Vietnam to gain its objective in whole or in part, the result would be catastrophic, not only for South Vietnam but for the balance of non-Communist Asia as well.

Let me go back a little in history. I remember when the Korean war began in 1950, I was in the Senate at the time and I recall talking to one of our top experts on Communism in the American Government. I asked him what he thought about the American commitment as far as Korea was concerned and the United Nations commitment in which, of course, Canada also participated. His answer was extremely perceptive, both as it applied to Korea and as it applies to Vietnam. He said, of course we have to help Korea. He said, what you must realize is that to the Communists the war in Korea is not about Korea, it is about Japan. Looking back I can see why. Japan was weak at that time. Had Korea fallen, Japan would then have been pulled inevitably towards the Communist order. But by keeping the cork in the bottle in Korea, Japan was able to develop the necessary economic and political strength which now makes it one of the strongest bastions of freedom in Asia, and so it is with Vietnam.

The war in Vietnam is not just about Vietnam, it is about all of Southeast Asia. While I know that many consider it not fashionable to talk about the domino theory these days, make no mistake about it, anyone who has been to Asia as many times as I have in the last five years and talked to the leaders of these governments will know that they are extremely conscious of what the wave of the future may or may not be. Once they believe that the wave of the future inevitably is that the main power of the Communists or even the Chinese Communists is inevitably going to sweep over the balance of Asia, they will adjust to that inevitable fact. But once they are convinced that it is not inevitable, then a whole different course of action will take place.

Looking again at Vietnam, in my view it is the cork in the bottle. We are there for the purpose of seeing that the people of South Vietnam do have the chance to choose their own form of government. In my view 75% to 80% of them would vote today against a Communist government if they had the opportunity. On the other hand we must remember that in the event that they are unable to hold the line with our assistance, one after another those nations of Southeast Asia would come under the pressure which I think would be inevitable. So what we are talking about is not just Vietnam, we are talking about Southeast Asia, we are talking about the Pacific and with all these great factors on the line, you can see why the United States, despite all the difficulties of this war, despite all of the tragedy of it, despite all the unpopularity of it at home and abroad, has made the commitment that it has made. I think history will record that this is one of the great turning points in what happened in Asia.

Now, let me look forward a moment. I know many of this audience would like an appraisal as to what will happen, how long will the war last and, of course, no one can predict this.

I can give you certainly some indications of what conditions must be met before the war in Vietnam does come to a conclusion. First the leaders of North Vietnam must be convinced that they cannot win the war militarily. Second, they must become convinced that they cannot win the war politically in the United States. Third, they must become convinced that they are not going to get a better offer of settlement by hanging on.

On the first point, they are convinced that the overwhelming superiority of the United States and Vietnam and Korea and other forces in Vietnam is such that the leaders in North Vietnam know they cannot win the war.

On the second point, they are not convinced. They misinterpret the American political system with all of its vigorous debate. They assume that if they hang on perhaps through the elections of 1968, that the United States will find a way to settle the war which will give them at least part of the package for which they began the war. Third, every time the United States changes its offer of settlement publicly, every time it departs from a firm line, inevitably it gives some encouragement to the men in Hanoi who are taking such punishment militarily.

But looking at the situation, I am convinced that the war will be brought to a successful conclusion, that the United States will have the will and the determination to see it through.

There has been a great deal of conjecture about whether or not the Chinese Communists would enter the war. No one can be sure. I would point out, however, that those who draw the parallel between Korea and Vietnam overlook a historical fact.

At the time of Korea, Communist China and the Soviet Union were allies and Communist China had the logistical support and moral support of the Soviet Union in its intervention in Korea. Now, the Soviet Union and Communist China are not allies.

What does that mean on this very simple point? The Communist Chinese lack the power, even though they may have the desire, to intervene in Vietnam. This does not mean that the United States should or will provoke them more than it has, but it does mean that when we talk loosely about the danger of doing what is necessary to stop oppression in Vietnam, we should not over-estimate the risk of what Communist China may do.

Let us assume that the war does reach a successful conclusion. Let us assume then that we look forward to the next ten years. What will happen and what is going to happen in Asia after Vietnam? And here it is pleasant to bring what I think is good news; news that has been obscured by the day to day battle reports, by the fears that something may happen in the event that this does escalate more than was expected.

Today the picture has changed 180 degrees in non-Communist Asia from what it was when I was there first in 1953 on a round the world trip at the direction of President Eisenhower.

On that trip I visited all of the countries of Asia except, of course, Communist China. I talked to all the leaders and in 1953, in Japan, in Thailand, in Malaysia, in country after country on the perimeter of the Communist heartland. The leaders of those countries weren't sure on two points.

First, they weren't sure whether the Communist system in one form or another might not be a better system for their society and second, they weren't sure as to whether Communism or freedom would be the wave of the future of the nation. Fourteen years have passed. The same trip I took in August and then again two months ago to the same capitals where I talked to some of the same leaders and many new ones. The word today is this: One great victory has already been won in Asia. The Communists have lost the ideological battle. What is being decided in Vietnam very simply is this: whether Communism will be able to accomplish by force and terror what they are unable to accomplish by persuasion. In all of these nations there is no question, if they have the opportunity to choose and the right to choose, they are not going to choose the Communist way.

There are several reasons why this is so. The failure of the Communist society in China, its failure in North Vietnam, its failure in North Korea. But even more important is the striking, spectacular success of non-Communist societies in the non-Communist countries of Asia.

Let me take you around the perimeter very briefly. Japan is not the kind of free society that we know, but it is a miracle of production and is a strong bastion of freedom. Korea has the highest growth rate now in all of Asia. Hong Kong is having difficulties because of its immense success. Thailand is the country that all said couldn't make it. Today it has the second highest per capita income in Asia – next to Japan and one of the few nations in the world, incidentally, that has worked its way out of foreign aid. Malaysia and Singapore are unhappy in a way because of the present division between Malaya and Singapore, but both are examples of boom societies under their concepts of freedom, somewhat different from ours. Singapore is more a mixed society leaning towards socialism, Malaysia flows a little in the other direction, but both are successful.

Let me turn to two others. Indonesia has 100 million people. As you know, Indonesia was on the razor's edge, of being taken over by the biggest Communist party in the world, outside of the Soviet Union and Communist China. It would have been taken over unless the cork in the bottle had stayed in in Vietnam. The Indonesians, in my view, would not have dealt with the Communist Chinese conspiracy unless they had felt that there was hope that they could survive.

Indonesia, let me say parenthetically, is a striking and tragic example of one of the great lessons of history: Those who lead revolutions seldom are the men who can lead during the period of reconstruction. Sukarno was a great revolutionary agent but revolutionary leaders are destroyers of institutions.

India has terribly difficult problems. Two wars in the last five years; the Communist Chinese invasion and the war with Pakistan. Add to that an over-populated country, add to that an economic system that is not attractive to private capital, the future of India, in my view, is still in the balance.

On the other hand India has fought for freedom. It has a parliamentary system and the common law. I believe that India itself as well as Pakistan will be able, at this critical junction, to move forward with the balance of Asia.

Let us look now at what might happen after Vietnam and here there is an exciting new development. What has developed in Asia is a new sense of community, a new sense of participation by the Asian countries along with Australia and New Zealand who are now accepted as Asian countries. This is the most exciting new development in international affairs, in my opinion, in the world today.

The Prime Minister of Singapore put the reason most eloquently when he said, look at the population of these countries. In Canada you will understand this because half of your population is less than 21 years of age. He said, that World War II is far behind and we have a young population and a young people in Asia who have neither the old hates or the old guilts. That is why leaders in Singapore and in Manila and in India are now talking to those in Japan. That is why Japan is now able and will be able to play an increasingly significant role in the economic and political development of a United Free Asian community.

Now, let us come to the most difficult problem of all – the future of Communist China. Some say, "Why do we continue to isolate China?" "Why do we isolate China by refusing to recognize China?" It is said that if only we woulld recognize Communist China and admit it to the United Nations, then Communist China would change just as the Soviet Union has changed. We would have a reduction of tension and eventually the communication, the trade and everything else that means peace for the future.

Let me say if that was all it would take, I think all of us would support the proposition, but let us look a little further. Why has the Soviet Union changed? Not because it was in the United Nations, not because it was communicating with the United States and with other powers in western Europe. The Soviet Union has changed not because of a change of the heart, but because of a change of the head.

The change began with the break with Communist China. The Soviet leaders then determined that it was to their interest not to have enemies on two fronts. The change also came as western Europe developed an economic stability of such massive strength that pushing outward in that direction was no longer profitable. The Soviet

Union changed, you must not forget, at the time that their leaders looked down the gun barrel in Cuba.

I do not mean that the change is not real. It is real. But I do mean the change came about once the Soviet leaders became convinced that a course of aggression was dangerous and that a course of conciliation was more in their interests.

On the other side of the coin, the Soviet Union is attacking the Indian Government more vigorously than ever before. It is doing the same thing to the Government of Iran. There is no question that the Soviet Union is fishing in the troubled waters of the Near East.

What I am suggesting is that the Communist powers have not changed their ultimate objective of conquest without war, if possible. We must also have in mind that they will change, however, when necessity requires it. That brings us back to the problem of China.

In my view, if the principle is established that conquest by exploit and revolution will no longer be tolerated, it will have a dramatic effect on the hard-liners in Peking. Just as these previous matters to which I referred, had had a dramatic effect on the hard-liners in the Soviet Union. When you combine that lesson with a strong, free Asian community of 300 million people and a production three times as great as that of Communist China, then the Communist China leaders will have reason to build their bridge as we will build our own.

I would like to leave this thought to the members of The Empire Club. There are scholars in the United States, who constantly parrot the theme that the interests of the United States and Canada, because of our traditions, are primarily in Europe and the Americas. These are our people, and share our traditions. The argument goes that in Asia people have different traditions and a different background, and a different colour. This, therefore, is one of those peripheral areas from which the United

States, and other nations for that matter, could well remove their interests.

Any man who thinks of Empire, thinks not in terms of conquest but in terms of the idea of a whole world rather than a half world. Any man who thinks of Empire must reject this kind of philosophy because the world is getting closer and closer together.

The people of the Pacific area do not want to come under Communist domination and we have to assist them if they desire to avoid that eventuality. For our own vital self-interest we will help to build in this last third of the century a world in the Pacific which will be a better world for them and an infinitely better world for us, economically, politically and militarily.

Over a century ago at the historical Guildhall in London a great dinner was held celebrating Nelson's magnificent victory at Trafalgar. A toast was proposed at that dinner and a response made. That response has been evaluated by those who are experts of English eloquence as one of the three greatest speeches in the history of the English language.

The toast was to Pitt, the Prime Minister and he was hailed as the saviour of Europe. He rose and responded in three sentences. "I thank you for those generous words." He said, "But Europe will not be saved by any single man. England has saved herself by her exertions and will, I trust, save Europe by her example."

Today, if I may paraphrase, Canada and the United States in this last third of the century will save ourselves by the power of our hearts and by the power of our ideas. By our example we will save a cause that is bigger than our differences: the survival of freedom in the Pacific and the world.

Thanks of the meeting were expressed by E. A. Royce.

JUNE 1, 1967

The East, The West and the Bible

AN ADDRESS BY His Grace The Archbishop of York,
The Most Rev. Dr. Donald Coggan

CHAIRMAN Dr. Henry D. Hicks,
PRESIDENT, CANADIAN BIBLE SOCIETY

JOINT MEETING CANADIAN BIBLE SOCIETY
THE EMPIRE CLUB OF CANADA
THE CANADIAN CLUB OF TORONTO

DR. HICKS:

May I first of all express my sincere thanks to The Empire Club of Canada for providing such an excellent luncheon and such an excellent audience for our distinguished speaker of to-day, The Most Reverend and Right Honourable Frederick Donald Coggan, Archbishop of York and President of the United Bible Societies.

Archbishop Coggan has had a most interesting and distinguished career, having been educated at Merchant Taylor's School, at Cambridge and at Oxford. In addition to his pastoral work, which has been outstanding, he has taught at Manchester University and the London College of Divinity, but, most significant of all to Canadians, at Wycliffe College here in Toronto.

Dr. Coggan's ministry has taken him to the farthermost parts of the world and he could truly be described as a world traveller, an eminent author, and a musician of some note, since he plays both the piano and the organ.

His interest in the Bible and Bible Societies has taken him many places and brings him to Canada in connection with the Annual Meetings of the Canadian Bible Society.

Ladies and Gentlemen, I give you an Oxford man, a Cambridge man, and a Toronto man. What more could this audience ask of its speaker today – The Most Reverend and Right Honourable Dr. Frederick Donald Coggan.

THE ARCHBISHOF OF YORK:

It is good to be back in the city where, when the century was a good deal younger, I spent seven happy years, a city grown almost beyond belief but still, for me, holding a fascination and a charm all its own. It is good to have the opportunity of speaking to so many friends, new and old, members of these two great clubs, together with their ladies. And I am glad to be associated with the British and Foreign Bible Society and with Dr. Kenneth MacMillan and his fine team of fellow-workers.

I can imagine that some of you, perhaps too polite to say so aloud, are nonetheless saying to yourselves: "Surely the Archbishop has been singularly unfortunate in his choice of subject, 'The West, the East and the Bible'. Had he been addressing a Bible Society meeting, or delivering a sermon in Church, that would have been a suitable theme. But this is a great gathering of men and women, most of them connected with industry and commerce, with science and business. He might have chosen something slightly more relevant."

I see the point of the objection. Many of us are regular readers of the Bible. But it is equally true that many of us are not. For some, Genesis is little more than a biological term and Revelation the name of a suitcase. If we own a Bible, it is more decorative than useful – it goes on our shelves alongside Shakespeare or Dickens, and gives just that needed literary touch to the living room! But use it? – No, not often; unless it be to find the clue to a cross-word puzzle or the answer to a quiz. And if someone were to start asking us questions, especially on the Old Testament – well, was she Abishag the Shunammite or Shabby Hag the Newnhamite? And where, oh where, among the Minor Prophets is Zechariah to be found (or is it Zedekiah?)?

But for all that, I do not believe I could have chosen a subject more immediately relevant to our 20th-century world, and to such a gathering as this, than a subject connected with the Bible. For consider for a moment what this book is – or, rather, I should say this little library of 66 books. It is an *ancient* collection; not very ancient when you consider the evolution of man as we now know him, or the emergence of our little planet in the vast universe of which it is a tiny part. Nevertheless, 39 of its 66 books were in existence when Jesus Christ was born, and the others had arrived by the end of the 1st century A.D. And it is an extraordinary *mixture* of writings – a mixture of "old unhappy far off things, and battles long ago" and love stories, of myth and ritual, of poetry and prose, of letters and theological theses, of history and apocalyptic. Here vengeance and tenderness, mighty doctrine and personal intimacies jostle one another. Here the contributions of the nations flow together, Hebrew, Egyptian, Babylonian, Persian, Greek converging in an extraordinary amalgam.

Here are the outpourings of an utterly unscientific age. How can I dare to say that the Bible has any relevance to men who think in terms of the conquest of the moon, the manufacture of jet-engines, the eradication of disease by drugs, the control of population by the pill? We are more at home with pipettes than with the Psalms, with atoms than with Adam, with V.C.10's than with journeys by donkey. Nonetheless, I advance my thesis that this book has a word to modern man, man in the sophisticated sixties of the 20th century, a word which he neglects at his peril. I would go further; I hold that many of the troubles in which modern man finds himself are due precisely to the fact that, being in possession of this book he has failed to heed it and live by it; or, never having possessed it in his own language, he has been deprived of its life-giving principles, and that deprivation has led to disaster.

Do you know W. E. Henley's poems? Their dating is significant – he died in 1903. Perhaps he is most famous for the lines:

I am the master of my fate:
I am the captain of my soul.

It was fashionable, in those pre-war days, to extol the self-sufficiency of human nature – a little more knowledge and Utopia was round the corner. We are doing it again to-day – we have 'come of age', we say. What do we mean by that? Perhaps that is true, technologically speaking. This is the age of the technocrat, and we are thankful for his immense achievements. But have we come of age morally and spiritually? We are learning to live *longer*, but have we learnt how to live *together?* Wars and race-hatred pose a question-mark here. We have mastered travel to the moon, but have we learnt the mastery of our own passions and desires? It is to questions such as these that the Bible addresses itself – to the great unchangeables, God, man, human sin and need, life here and hereafter – questions to which no laboratory can give an answer, but on the answering of which man's peace depends, and his welfare as an individual and as a member of society.

"The Bible" I said, "addresses itself to these questions." And it looks for – it finds – its answer in the Person of One Who not only spoke a word of God relevant to the needs of His hearers, but was Himself what God had to say to men. No; that is not correctly put. For the tenses I used in that last sentence might seem to indicate that Jesus of Nazareth was a remarkable Figure with a word for His generation and that was all. I must alter the tenses and say: He *is* what God *has* to say to man. For the New Testament insists that you cannot confine Jesus spatially to Palestine or temporarily to the 1st century. He is the same yesterday, to-day and for ever. He is our great Contemporary, with Whom we can live in touch if we will; through Whom the mind and will of the Eternal are made known to us; to know Whom is to find life; to miss Whom is to stumble and fall.

These are big claims, but they are claims the truth of which has been and is attested by millions of men and women, of all colours, in all walks of life. And the supreme importance of the Bible lies, not in any particular theory of its inspiration, but in the fact that it is the bearer of this Word of God to us. We cannot do without it if we are to know Him.

Now this book came to us from the East. *Ex oriente lux* – light from the East. Soon it was translated from its original languages into those spoken in different parts of the world. As the message of Christianity spread, it was found essential to translate the book which carried the message. When the message reached Britain, most of the people were illiterate, and so parts of the book were sung as popular lyrics. Then came a succession of men ready to give their scholarship – and some of them, like William Tyndale, their lives – to the translation and dissemination of this book. Little do many of us realize, as we leave the book on our shelves to gather dust, that for it men have been burnt, beheaded, done to death.

This century has been the great century of translations into modern English. There had, of course, been many before the 20th century – of these the Authorized and Revised Versions were the chief. But this has been the century *par excellence*. I well remember, when we lived here, going down to New York on some errand or other, and having tea with James Moffatt, that shrewd and learned Scottish scholar who had been adopted by America. His version was something of a pioneer effort, and if it sometimes lacked the dignity of the earlier translations it lacked nothing in vividness and colour. Thus, when in the great epic poem of Job he curses the day of his birth, the Authorized Version gives us: "Let the day perish wherein I was born, and the night in which it was said, There is a man child conceived." But Moffatt gives a really contemporary touch with: "Perish the day I was born, the night that said, 'It is a boy.' "

The most recent translations of all, such as those by J. B. Phillips and the New English Bible, have run into many millions. No one can say that they cannot understand the Bible because of its out of date language. They can get it, in 20th-century English, at any good bookshop, for the price of a few packets of cigarettes.

But while this translation work has been going on in the English-speaking countries, the curse of Babel has persisted throughout the world. Further, in this century, the graph of world population has shot up – and continues to do so alarmingly. We expect the population to double between now and the year 2000! This means that the task of seeing to it that the Bible, in whole or in part, is available to those who can read is a colossal enterprise. In spite of the fact that it is already translated into over 1300 different languages, there are millions still waiting, their need unsatisfied. And in spite of the fact that the Churches are collaborating, in spite of the fact that the scholars, the business men, the technicians, the artists are all pooling their skills, there is a sense in which the task is only begun.

The task to which the Bible Societies of the world address themselves is an exciting one. Can the attempt to keep pace with the population explosion and with the very rapid growth of literacy among the emerging nations be successful? There is no doubt that a gallant attempt is being made. It is my privilege to be the President of the United Bible Societies, which holds under its spacious umbrella the welfare of 317 national Bible Societies, working in 120 different countries of the world. This is internationalism on a world scale. This is an outstanding example of ecumenical co-operation – we do not ask one another what denomination we belong to: we get on with the job of joining hands in providing food for hungry minds and aching hearts.

As I go around the world, I find all kinds of men and women engaged on this task. Some are scholars, with the knowledge of a dozen languages to their credit. Some are artists, able with a few strokes to capture a parable or to depict a situation. Some are technicians, able to run a printing-machine or mend a broken Bible van. Some are experts in the field of finance and of organization, manning the home base so that others may go and take with them the Bible with its message of new life in Christ. Others are men and women like yourselves, fully engaged in their trades and professions but determined that this work shall not be held back for lack of money. I am very proud to be associated with such people. I would like to be sure that you are among them.

When the day is done and the journey is over, I should like to be able to say – not so much, perhaps, that I had got to the top of my profession, or that I had become a world figure, or that I had built up a great business. Any or all of these things may or not be good. I should like to be able to say: "I had a share – just as big a share as I possibly could have – in bringing the message of God's love in Christ to men who, without my gift, would not have had it." And, so far as I can see, one of the best ways of doing this is to get your shoulder behind the wheel of the Bible Society and give it an almighty shove. So will the West, privileged and prosperous, pay back to the East, pathetic and penurious, something of the debt which it owes for the unspeakable gift of Christ and for the book which bears Him to us.

Thanks of the meeting were expressed by Graham M. Gore.

CENTENNIAL DINNER

JULY 11, 1967

The Unsinkable Commonwealth

AN ADDRESS BY Earl Mountbatten of Burma

CHAIRMAN Immediate Past President,
R. Bredin Stapells, Q.C.

JOINT MEETING ROYAL CANADIAN MILITARY INSTITUTE
THE EMPIRE CLUB OF CANADA

TOAST TO HER MAJESTY'S FORCES

by John W. Griffin

MR. GRIFFIN:

Twice in the lifetime of many in this room high hopes have surged throughout the world that war would be abolished and universal peace lave the earth. The "war to end wars" itself ended in 1918 and ushered in 20 years of disillusionment, destruction and the demise of the League of Nations. It was thought, a generation later in 1945, that the big bombs dropped on Hiroshima were so awful a portent of disaster that war could never be risked again. Since then two major conflicts have taken place in the Far East, one concluded and one current. When Pope Paul VI addressed the United Nations he made a plea for "No more war, war never again". The following months have seen a vast increase in the intensity of war in Vietnam and brought Israel's lightning victory.

Perhaps the obvious moral was best stated by one of the early Americans who said the classic words, "Put your trust in God but keep your powder dry." More currently we might say, "Work for universal peace with good will and firm conviction but maintain strong professional armed forces." As any Egyptian will tell you, God help the country that doesn't.

We in Canada owe an enormous debt to our own Canadian forces and to the British forces which spawned them and guarded us for so long. They have never been our oppressors, always our protectors. This has been especially true of the navy, which most Canadians have never even seen. When one looks over the military history of modern times one inevitably concludes that the greatest, the most influential, force has been not the Grand Army of Napoleon, not the two War Machines of contemporary Germany but the British Royal Navy. Because in the century that followed Trafalgar its mastery of the seas was not only not challenged but scarcely even doubted. Canada (and the United States) were able to grow and mature in absolute security. The sea is not a barrier but a highway and a sea frontier is a danger unless protected. We were so protected.

Naturally I do not wish to ignore or minimize the glorious history of our armies or the matchless valour of the new air forces but in the presence of a great admiral and with honest conviction I pay tribute especially to the naval arm.

It is, I dare say, trite to quote Kipling but I can't refrain from recalling to you his words:

Its Tommy this and Tommy that
And throw the blighter out
But its saviour of 'is country
When the guns begin to shout.

Let us not, even in our minds, throw the blighter, or the matelot or the airman out in time of peace. Let us remember that in the world of today it is too late to prepare after war has started.

TOAST TO CANADA

by Colonel B. J. Legge, E.D., Q.C.

COL. LEGGE:

When Woodrow Wilson was President of the United States he had strict routines, but these were disturbed by a caller in the middle of the night demanding to speak to the President about a matter of life and death.

He reluctantly took the call and a voice said: "Mr. President, I hate to trouble you but the Collector of Customs in New York has just died and I am his deputy."

The President asked, "Couldn't this amazing piece of intelligence have waited to be announced in the morning?"

The voice was saddened: "Mr. President, you don't seem to understand. The Customs Collector of New York has just died, I am his deputy and I would like to take his place."

The President snapped: "If you can fix it up with the undertaker, it will certainly be just fine and dandy with me."

In a sense, Canada is like the Customs Collector. A century has passed and in our strange cargo of fallacies, something new must take its place. Centuries are not chapter-endings and we don't trade old centuries for new. Canada's past is her present and on these two her future will be built.

Usually Canadians themselves have only been mildly interested in the forms of patriotism and indeed, one Canadian critic talks about our great Centennial river of ooze, but I will not float on such a river.

For me, when the Royal Canadian Military Institute and The Empire Club of Canada dine together with their ladies, it is an exciting event. It is even more exhilarating because we are Canadians amongst Canadians and Commonwealth people amongst Commonwealth people.

Canada is British – Canada is American – Canada is French but Canada is also Canadian. Canada is in the tradition of the United Empire Loyalists and a member of three Commonwealths.

Canada is The Commonwealth. According to a famous writer, The Commonwealth is the only organization in the world which brings together rich nations and poor nations, white nations and coloured nations, nations reflecting almost every colour of the political spectrum, a quarter of the people on the earth; and brings them together in at least the framework of equality, of family, of some measure of mutual concern.

Even the United Nations, which is now described by its enemies as "the gang on 42nd Street", does not achieve this particular atmosphere.

Only the fettered spirit of apartheid has taken itself out of the Commonwealth – and that with Canadian encouragement.

Canada is of the French Commonwealth. On the first of July, Her Majesty the Queen said in Ottawa: "Since Champlain founded his habitation at Quebec – and planted rose bushes around it – this air has been sweetened with the French tongue and French culture and sharpened with French intelligence and French resources." Every Canadian school boy knows this truth and will quip: "Champlain's the name, and exploring's the game."

In 1967 there is a return of France to North America, which does not mean that Quebec is returning to France.

Quebec is proud of an inheritance of French culture, proud of having preserved the French identity for 200 years, and proud of the "Quiet Revolution" which has culminated in the miracle, the verve and beauty of EXPO 67.

Sometimes our efforts at understanding take an odd turn. A Montreal lifeguard stood idly by while a girl struggled helplessly in the water. A spectator urged him to do something. "I can't swim," he told the astonished spectator. "Well, how on earth did you get this job?" he asked. The lifeguard replied, "I'm completely bilingual."

If accepted in the spirit "that a minority does not have equal rights, but better than equal rights", then Canada will be easily understood and accepted as part of a French Commonwealth with citizens whose mother-tongue is French.

Canada is also of the American Commonwealth in geography, in economics, in emigration and in friendship. In the last century bitter boundary disputes led to the frightening American jingoism, "Fifty-four forty or fight", and later on in Ontario, Goldwin Smith campaigned for reunification of the English-speaking peoples and annexation with the United States. Later on in 1911, the American Speaker, Champ Clark, hoped "to see the day when the American flag will float over every square foot of the British North American possessions."

Despite its alliance with and its apprehension of the American Commonwealth, Canada has remained distinctly Canadian. Lest we get carried away with our Canadianism, we should remember the Scottish prayer,

> O Lord, we beseech thee, if it be possible,
> Enable us to be worthy of the high esteem in
> which we so rightly hold ourselves.

To each of us Canada is many things. Canada is Muskoka and Montreal, Tuktoyaktuk in the Arctic and the Empress Hotel in Victoria.

Canada is learning and bravery.

It is the discoveries of Sir William Osler and Dr. Wilder Penfield. It is Vimy Ridge, Salerno and the attack on Caen. Canada is the Victoria Cross and the discovery of insulin. Canada is the Royal 22nd Regiment and the Mounted Police.

Canada is the Centennial Project of every province and every village. Canada is hockey, Rocket Richard and Connie Smythe. It is Eaton's and Simpson's and the Hudson's Bay Company. It is the universities of Laval, Queen's and Toronto. It is the Trans-Canada Highway, the Place Ville Marie and the Toronto City Hall.

Canada is the Montreal of Gabrielle Roy, the novels of Morley Callaghan, the poems of Pauline Johnson and Irving Layton; the photographs of Karsh and Cavouk, the paintings of the Group of Seven and the music of Healy Willan. Canada is the Canadian Broadcasting Corporation – debts and all.

Canada is the French Missions to the Indians and the Anglican to the Eskimos. Canada is the Jesuits and the Salvation Army. It is the Colombo Plan, the Alouette Satellite, the Military Tattoo and the National Ballet.

Canada is the homes and farms of all its people. Canada is the fishermen of the Atlantic, the habitants of Quebec and the refugees from Europe. Canada is children and pioneers, Finnish choirs and Estonian gymnasts. Canada is campaigns for the Red Cross, the Red Feather, and Save the Children everywhere.

Canada is the family compact and the uprising of Louis Riel. Canada is Mitch Hepburn, Maurice Duplessis, Joey Smallwood and Dief the Chief. Canada is the Old Originals of 1914 and the tough sergeants of all Canada's wars.

Canada is His Excellency General Georges Vanier, full of years, clothed in valour, replete with kindness and dignity and learning, and full of compassion for all mankind.

Canada is Elizabeth II, the gracious Head of the Commonwealth and above all, the beloved Queen of Canada.

Ladies and Gentlemen. On this great occasion, I ask you to celebrate the One Hundreth Birthday of our own Country, and I ask you to drink with me a toast "To Canada".

MR. STAPELLS:

A week ago Saturday, Canada was led into her second century by her Queen in a giddy birthday party. Our Centennial has been celebrated in many ways during this year, and it is right that The Empire Club of Canada should take part by following its tradition of welcoming to our forum the most notable of speakers.

The Club's Centennial Dinner, in which our good friends of the Royal Canadian Military Institute join us, is honoured tonight by the presence of a descendant of Charlemagne and Saint Elizabeth of Hungary, a great grandson of Queen Victoria, great nephew of the Tsaritsa Maria of Russia, cousin of the last Queen of Spain, brother of Queen Louise of Sweden and Princess Alice of Greece and uncle of Prince Philip, the Duke of Edinburgh. In a word, we welcome here tonight as our guests of honour, royalty . . . Admiral-of-the-Fleet, Earl Mountbatten of Burma, Prince Louis of Battenberg, who is accompanied by his lovely and gracious daughter, Lady Patricia.

But I am introducing you to the family and not the man. The man is a naval person, an Admiral-of-the-Fleet and First Sea Lord, by heritage and by hard work and not by "polishing up the handle of the big front door". In accomplishment, he is the innovator in naval affairs and the moulder of combined operations which made possible the Normandy landings in the last war, the success which led to his appointment as Supreme Commander, South East Asia. His title is an obvious reflection of the victorious Burma Campaign which, upon his arrival, ceased to be the "forgotten war".

In Broadlands, his home near Romsey, there is an impressive display of model ships which Lord Mountbatten has commanded. But among those ships, it is H.M.S. *Kelly* for which he has a special affection. As war threatened in the summer of 1939, he took command of the spanking new *Kelly*, and he told his hand-picked company of 240 men as they came on board:

> "None of us will take off our clothes or sling our hammocks, or turn in for the next three days and nights until the job is finished. Then we'll send Hitler a signal saying 'The *Kelly*'s ready – you can start your war.'"

He organized the relatively peaceful transfer of the British Raj in 1947 – a seemingly impossible task. Walter Lippmann wrote of this feat –

> "Mountbatten has done a service to all mankind by showing what a statesman can do, not with force and money, but with lucidity, resolution and sincerity."

While Lord Mountbatten has been associated with many worthy causes, there are three societies which particularly foster Commonwealth relations and of which he is the Grand President: The British Commonwealth Ex-Service League, The Royal Life Saving Society and The Royal Overseas League. The Royal Life Saving Society, in which I have a particular interest, is fashioning, under his leadership, a model of how the Commonwealth *can* develop; independent but responsible national societies combine to make a stronger Grand Society.

I now introduce you to a prince among princes, a man among men, one of the truly great personages of our time, Admiral-of-the-Fleet Earl Mountbatten of Burma, Knight of the most noble Order of the Garter, our Queen's most excellent Privy Councillor who will address this Centennial Dinner on "The Unsinkable Commonwealth".

LORD MOUNTBATTEN:

I feel extremely honoured to have been invited to address the Empire Club of Canada on the Commonwealth.

I have chosen as the title of my address "The Unsinkable Commonwealth" because although it has been shot at quite a lot, especially in recent times, the Commonwealth, like any of Her Majesty's ships has an excellent "Damage Control Organization" which seems to be able not only to repair the damage of this gunfire but to steer the ship on a course which will take her further away from attack into more peaceful and profitable waters.

I feel it would be appropriate to begin my speech with a review of some aspects of the history of the Commonwealth.

Those two great sailors of the 16th century, Sir Richard Grenville and Sir Walter Raleigh, established temporarily the first British Colonies – in Virginia.

The first really successful colony was established at Jamestown in Virginia by Christopher Newport in 1607 on behalf of what was to become the Virginian Company.

It is also recorded that in 1583 Sir Humphrey Gilbert proclaimed the annexation of Newfoundland though he did not leave settlers there at that time.

Settlement in what came to be called the 'old Colonies' has been pretty continuous in Canada since the 17th century, in Australia since the 18th century and in New Zealand since the 19th century.

Nor must we forget the 13 North American colonies had extensive British settlements at the time they embarked for better, or dare I say for worse, on an independent political course nearly 200 years ago.

British settlers in the West Indies originally outnumbered the indigenous Carib population in some of the islands. It was only the importation of slave labour from Africa in the 17th and 18th centuries, and Asiatic labour in the 19th which created a large non-European majority in the Caribbean area.

In Canada, Australia and New Zealand the indigenous population declined in numbers following the arrival of the European settlers. In each case the basic cause would seem to have been the disruption of their social structure with the consequent collapse of morale making them more liable to the new diseases which the settlers brought with them. In each case the population has begun to rise again. In New Zealand the increase in the Maori population began as far back as the turn of the century and the number of Maoris is now probably greater than it was when settlement began. Maoris of course enjoy equality in all respects with other New Zealand citizens. The Australian Aborigines, with their stone age culture, have been faced with much greater problems in coming to terms with European civilization. The drop in their numbers was catastrophic and it is only in recent years that they have begun to rise again, largely as the result of greater government and public concern for their welfare. Here in Canada the situation of the indigenous people who are full citizens is improving slowly but surely. You also have some 12,000 Eskimos in the north of whom the world is getting to know more and more today largely through their fascinating soapstone carvings. In most other territories the indigenous populations were very much in the majority and in fact in most cases were conquered such as in India.

I have been deeply honoured to have been made Honorary Chief by representatives of Blackfoot, Piegan, Sarcee and Stony Indians on 6th July at Calgary, with the title "Chief Sea Warrior". I am all the more gratified as my daughter, Patricia, was with me and she is herself part Red Indian, being a direct descendant through her Mother of Princess Pocahontas who married an Englishman called Rolfe 350 years ago. So I feel I have now made an honest Injun of her and can call her "Papoose Patricia"!

Mr. Churchill, as he then was, and President Roosevelt, were extremely good friends. They rather enjoyed pulling others' legs. Our Prime Minister sent me over to Washington in June 1942 to explain to the President that it would not be feasible for the Allies to carry out a successful invasion of France before the spring of 1944. This was of course very unwelcome news to the Americans who were keen to open a second front right away, but we offered as a compromise solution that there should be a landing in North Africa in 1943.

While staying in the White House I heard of a joke which the President was preparing to perpetrate on Mr. Churchill. He had come across one of those middle-aged crusading women one so often meets in the States. This lady's particular crusade was that the British should quit India. Knowing that Mr. Churchill was violently opposed to this idea the President thought it would be amusing to arrange a leg haul. I understand that this took place after I had left. The lady was asked to a small luncheon just with the President, the Prime Minister and perhaps half a dozen of the staff. Everyone except Mr. Churchill was in the know.

After the first course our crusading lady could not contain herself any longer and attacked him by saying: "Mr. Prime Minister, what do you intend to do about those wretched Indians?" Winston was taken aback for a moment and then looked at her and said: "Madam, to which Indians do you refer? Do you by chance refer to the second greatest nation on earth which under benign and beneficent British rule have multiplied and prospered exceedingly; or do you by chance refer to the unfortunate Indians of the North American Continent which under the present Administration have become practically extinct?"

However, many territories were not held against the wishes of their inhabitants. Malta elected to join the British Empire 160 years ago and has been very sad at the gradual withdrawal of the British Fleet and garrison. Gibraltar will, I am sure, vote overwhelmingly to remain British. Hong Kong is very anxious to remain British. Even in Fiji, I discovered during my last visit there, the indigenous Fijians are most anxious not to be given independence for fear that would mean that the Indian population which has grown from the original indentured workmen brought in by the British, would gain control through having a majority of the votes.

At all events there is one dependence we can feel fairly certain will not wish to be given independence and that is Pitcairn Island which is only two square miles and has a population of 88. The last island to be annexed by the United Kingdom was Rockall in the Atlantic as recently as 1955. There is no fear of Rockall wanting independence for it was and remains uninhabited although the Union Jack has been planted on it. It is perhaps worth recalling that Singapore Island was entirely uninhabited when Stamford Raffles came to wake it into a base. The Malays and Chinese who have now got their independence were brought in by the British.

I was involved personally in the last substantial addition to the Commonwealth which occurred in 1946 when I negotiated with the Raja of Sarawak, Sir Charles Vyner Brooke, to hand over his country to the British Crown and it became a British Colony. What made the situation rather delicate for me was that his nephew and heir was an Intelligence Officer on my staff at the time (in 1946 when I was Supreme Allied Commander in South East Asia) and protested violently at what I was negotiating between his Uncle and the British Government. He reminded me that his great grandfather had come to Sarawak as a Midshipman and had been elected Raja by the Dayaks. However, Sarawak is now part of Malaysia.

Eire became the Republic of Ireland formally seceding from the Commonwealth in 1949. The British Parliament passed the Ireland Act which recognized that the Republic of Ireland had ceased to be part of His Majesty's Dominions, but provided that it should not be regarded as a foreign country nor should its citizens be regarded as aliens. A typically Irish solution.

In fact I have a place in Eire, Classibawn Castle in County Sligo, and I and my family could not be treated with greater friendship by the Irish. My son-in-law's grandmother was the Marchionness of Sligo who died not long ago at the age of 98. Shortly before the second election for which Mr. De Valera stood Lady Sligo asked her head gardener: "Do you think Mr. De Valera will be re-elected?" He replied: "Of course he will, your Ladyship, after all it was the poor who got him elected last time, and there are many more poor now."

When my housekeeper's son became 18 she told me she was sending him into the Army. I asked what Regiment and she said: "The Irish Guards, of course; there's no finer Regiment!"

Up to the end of the war the British Commonwealth had remained pretty static. The old Commonwealth countries – Canada, Australia, New Zealand, South Africa and of course the United Kingdom itself – were the only independent countries. Fate picked upon me to start the fundamental change in the Commonwealth in 1947 when as last Viceroy I was responsible for partioning India and giving independence to India and Pakistan.

There are some 50 Commonwealth territories and a good half have now got their independence, the stop press news on the total being 26: at least it was that last month. It leaves about as many again who have not yet got their independence. Some, as I have already pointed out, will never want it; others will gradually be getting it.

Whether or not the eventual destiny of any particular British territory is to become independent as a separate State, its political development is carefully devised over a period of years to prepare it for whatever may be its appropriate form of self-determination. An element of effective self-government is generally introduced into the Colonial Administration at an early stage and then gradually extended over the years. At the earliest stages of development there may be direct administration by British officials aided by advisory councils. The first Legislature probably consists of senior Government officials with a minority of local people nominated by the Governor. Later an elected element is introduced and this is increased until it forms a majority and eventually replaces completely the official and nominated element.

Meantime, parallel changes are introduced in the Executive which at first is wholly official. Nominated non-official members are introduced, then elected members from the Legislature. The elected members gradually take over responsibility for Government Departments. Later, as Ministers, they are given a majority in the Executive. Finally, the last officials are withdrawn leaving a wholly elected Executive responsible to a wholly elected Legislature – that is, full internal self-government.

During internal self-government, the Governor (and through him the British Government) continues to be responsible for the conduct of certain matters – usually Defence and Foreign Relations – but Ministers are increasingly associated with these subjects to prepare them for taking over complete responsibility on the attainment of independence. Parallel developments take place in Local Government and in the Public Services where, with assistance from the United Kingdom in education and training, first the lower and then the higher grades of the Administrative Services are progressively filled with locally recruited people. The British Civil Servants working in the Dependency, act, of course, as servants of its Administration, which means, to an increasing degree, as servants of an Executive responsible to a Legislature representing the local inhabitants.

Of course it is essential that there should be enough literate and adequately educated people in the country to learn how to take over government. It is also necessary to have a sufficient number of graduates of universities in law, medicine, science and also to have properly trained officers of the armed forces.

I have of course a personal interest in India since I was the last Viceroy appointed to transfer power. The Honourable East India Company was formed early in the 17th century and was active from the beginning of that century establishing a number of posts including the most important one in Madras in 1639. Even when a part of India came direct to the British Crown as was the case when Bombay formed part of the dowry of Catherine of Braganza when she married King Charles II in 1662 it was duly transferred to the East India Company (in 1668). The Company was known colloquially as "John Company". It raised its own armies and indeed they had their own navy, and they appointed their own Governors General. Robert Clive was among the foremost of those who developed India for the Company.

Warren Hastings was appointed as first Governor General of Bengal in 1774 with supervisory powers over the Presidencies of Bombay and Madras. The first Viceroy was Viscount Canning appointed in 1858. When the Marquis of Hastings was Governor General of India he wrote in his journal on 17th May 1818 the following:

> "A time not very remote will arrive when England will, on sound principles of policy, wish to relinquish the domination which she has gradually unintentionally assumed over this country (India), and from which she cannot at present recede. In that hour it would be the proudest boast and most delightful reflection that she had used her sovereignty towards enlightening her temporary subjects, so as to enable the native communities to walk alone in the paths of

> justice, and to maintain with probity towards their benefactor that commercial intercourse in which we should then find a solid interest."

It is true this was written in a private journal but it shows how the Governor General in India was thinking nearly 150 years ago.

However, when Macaulay was Secretary of the Board of Control for India he made the following statement in the House of Commons on 10th July 1833:

> "The destinies of our Indian Empire are covered with thick darkness. It is difficult to form any conjecture as to the fate reserved for a State which resembles no other in history, and which forms by itself a separate class of political phenomena. The laws which regulate its growth and its decay are still unknown to us. It may be that the public mind of India may expand under our system till it has outgrown that system; that by good government we may educate our subjects into a capacity for better government; that, having become instructed in European knowledge, they may, in some future age, demand European institutions. Whether such a day will ever come I know not; but never would I attempt to avert or retard it. Whenever it comes, it will be the proudest day in English history."

In 1858 the Government of India Act placed British India under the direct government of the Crown. Incredible as it may seem it is a fact that Mrs. Salt, the last widow of an officer of the old Honourable East India Company died only a month ago. In 1877 on Disraeli's inspiration Queen Victoria was proclaimed as Empress of India, a title held by her four successors up to 1947.

As our armies conquered parts of India, so the local ruling Prince was either deposed and his family prevented from succeeding him, or a treaty was made with him whereby he and his heirs could continue to rule under British paramount power. In the former category there were finally two-thirds of the territorial area and three-quarters of the population in India. This area was known as British India and divided into Presidencies and Provinces ruled by British Governors. In the second category were the 565 Indian Princely States ruled either by Hindu Maharajahs or Muslim Nawabs. These two parts of India were administered really separately.

British India was ruled by the Governor General in Council. He could pass laws which were immediately enforced throughout British India. The Government of India was under him and had their own offices in the capital, originally in Calcutta and after 1912 in New Delhi.

The 565 Rulers of Indian States were all in treaty relations with the Queen Empress/or later the King Emperor. They were dealt with by the Crown Representative for executing the functions of paramountcy. He had a large office known as the Political Department in the capital, under whom there were officials known as the Residents living in all the big States. The smallest States were grouped together under one Resident. He lived in a fine big official house known as The Residency, whereas the Governor of a Presidency or Province lived in a big house known as Government House.

In theory these two top appointments were quite separate, but what happened in practice was that the same man was appointed both as Governor General of British India and as Crown Representative for Native or Princely India. The man who held these two positions was known as the Viceroy.

So it was in the person of the Viceroy that the overall government of India was co-ordinated. When he passed any law as the Governor General in Council for British India he would inform his Political Department and they would tell their various Residents to require their various Rulers to pass similar laws in their own states.

This is a somewhat oversimplified explanation of how the two separate parts of India were governed up to 1947. It provided one of my worst headaches when I was responsible for transferring power. Whereas the proposals for transferring power in British India were carefully discussed with me in Whitehall before I went out, curiously enough no discussion took place on how to deal with the Indian Princely States. All I was told was that the Indian princes would have paramountcy retroceded and would in theory then become independent and could make up their own minds what they wanted to do in the future. Clearly this situation could produce real chaos and bloodshed all over India if not properly gripped at the time of the transfer of power. I solved this particular problem by persuading the future Governments of Independent India and Pakistan to agree that they would allow the various Princes to accede to one country or the other on the basis of accepting their rule on external affairs, communications and defence.

The Commonwealth has always fascinated me. I had the great good fortune when I was only 19 years old to be invited by the Prince of Wales to accompany him in the Battle Cruiser *Renown* on his tour of Australia, New Zealand, Fiji, Samoa and the West Indies in 1920. In 1921 and 1922 I went as his ADC, again in the *Renown*, to India, Burma, Ceylon, Singapore, Malaya and Hong Kong. During these tours we spent many weeks ashore touring by train and motor-car every part of the countries we visited. I kept elaborate diaries with all my impressions and really tried to find out all I could about each of these countries.

On one occasion when I was staying with President Eisenhower at the White house he was complaining about the bad relationship between India and the United States. I suggested to the President that he should pay a personal visit to India when I was sure he would have a very good reception. He told me that the Secretary of State, Mr. Foster Dulles, had advised against this as he said he would have a bad reception. I promised him that he would not only get a good reception but I would arrange a special invitation for him to be issued by the Prime Minister, Mr. Nehru.

Eisenhower accepted my suggestion. He received the invitation and went to India and as everybody knows the visit was a great success.

President Eisenhower wrote to me from Delhi to tell me of the success of his visit and then added something to this effect:

> "This morning I received an honorary degree from Delhi University. In the little robing room there was a large marble slab and in letters of gold it proclaimed that you had proposed to Edwina in this office on 14th February 1922. This was, of course, a great astonishment to me; what made it even more curious was that I was wearing a pair of socks you had given me for Christmas!"

In fact, of course, Delhi University had been the temporary Viceregal Lodge while the big Viceroy's House was being built at Delhi and in 1922 when I was on the Prince of Wales' staff we stayed in the temporary Viceregal Lodge. It was here that I proposed to my wife who was on a visit to the Viceroy.

Twenty-five years later the buildings belonged to Delhi University which was then celebrating its Silver Jubilee and I was the Chancellor. It was while giving the Chancellor's convocation address that I mentioned the fact that I had become engaged to my wife in the University. You can imagine what a particularly warm feeling both my wife and I had for India where we had become engaged.

I unfortunately missed the Prince of Wales' Canadian trip which was his first one and took place in 1919 just before he had extended his invitation to me. There is a special hymn called "God Bless the Prince of Wales" which was sung all over Canada on the occasion of His Royal Highness's visit. The principal lines are as follows:

> "Among our ancient mountains and from our lovely
> vales, oh let the prayer re-echo,
> God Bless the Prince of Wales."

However, in the Western Provinces of Canada they sang their own version which was as follows:

> "Among our lovely mountains and from our lovely
> vales, oh let the prairie echo,
> God Bless the Prince of Wales."

However I have been able to make up for that by having visited Canada probably more than any other country in the Commonwealth since those days.

Canada has always fascinated me. As you know it is not only by far the largest country in the Commonwealth but of course it is the second largest country in the world. It has been customary in the old Commonwealth countries to speak of Britain as the Mother country, and she is accepted as the single parent, the children being apparently immaculately conceived. However Canada was not immaculately conceived for she also had a father, France. The possible entry of Great Britain into the European Economic Community will bring with it a whole host of problems for the Commonwealth. But I would draw attention to one aspect of this; it will bring the parents of Canada closer together, once the Father figure of the General will accept a rapproachement with the elegantly draped Britannia. He won't find any mini-skirt there.

I have made some enquiries into the language problem in Canada and I find that roughly 13½ million people speak English, 3¾ million speak French, 2½ million are bi-lingual in both languages and apparently about ¼ million speak neither English nor French – and how they made out in Canada I can't imagine.

Then there is the factor of having the United States as Canada's only territorial neighbour. Inevitably Canada has strong economic and defence associations with the United States. Indeed as we all well know she enjoys and has always enjoyed the most extensive undefended border with her neighbouring State that has ever been known in the history of the world. Canadian industry is heavily dependent on American investment. Quantities of tourists pass in both directions over the frontier. In these circumstances it is a real tribute to the strength of the national personality and character of Canada that she has so successfully resisted the pull of the vast dynamic population of the United States and has maintained her national identity intact.

Canada has been outstandingly helpful to the new Commonwealth countries as they have emerged into independence in the West Indies, in Asia and in Africa. She has been generous in extending material aid and other forms of assistance to them. Lord Casey, that great Australian, who is the Governor General of Australia, is on record as saying that "on some foreign policy issues Canada has shown greater sympathy for their views than have the other old Commonwealth members. She has been active in meetings of Commonwealth Prime Ministers and Finance Ministers, in Conferences of the Parliamentary Association and of other Commonwealth bodies. She has also played her part in the day to day Commonwealth consultations that take place in the United Nations, at international Economic Conferences and in diplomatic posts throughout the world."

Lord Casey goes on to say, "Although Australia is a strong Commonwealth country and is uncritically loyal to the Crown, she may be said to have taken the Commonwealth for granted and has not done a great deal of thinking about it. There are no chairs of Commonwealth Relations in any Australian university, whereas there are at least two in Canada. The Balfour Declaration at the Imperial Conference in 1926 that the old Commonwealth countries were autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs, did not greatly excite Australia. Nor did the statute of Westminster in 1931, by which British legislation ceased to have effect in the old Commonwealth countries."

The old Commonwealth countries drew gradually and naturally into complete independence.

Canada's emergence as a nation really followed the risings in upper and lower Canada of 1837-1838, followed by Lord Durham's Report in 1839 in which he recommended the granting of responsible Government which was subsequently achieved. In 1867 the British North America Act was passed by the British Parliament which united the Provinces under the name of Canada. What was Upper Canada became Ontario, and Lower Canada became Quebec. It is this great Act which is being commemorated in your Centenary Celebrations. Since then Manitoba entered the Canfederation in 1870, British Columbia in 1871, Prince Edward Island in 1873. Great Britain gave over Rupert's land in the north western territory in 1870 and the Arctic Archipelago in 1880. And it was as recently as 1949 that Newfoundland and Labrador entered the Confederation as the tenth Province.

Canada has indeed made great progress and although numerically her population can never compete with the great Asian Commonwealth countries, in every other sense she is the leading country, outside Great Britain herself, within the Commonwealth.

Let us look at the position of the Commonwealth as a whole in the world of to-day. The countries of the Commonwealth represent a quarter of the world's population, occupy a quarter of the world's land surface, and do a quarter of the world's trade. Lord Casey, in the book he published four years ago, *The Future of the Commonwealth*, refers to these facts as follows:

> "The world has never known in all its history a more exciting or potentially rewarding set of facts than these. If we can't make these add up to something worth while we will get a very black mark indeed from future generations. If we fail, it will be the world's worst example of a self-inflicted wound.
>
> The facts reflect the great influence the Commonwealth could have in the world if its members were able to achieve greater cohesion, particularly in the international field.
>
> There is a general understanding that each member country has a duty to consult the others and a right to be consulted by the others on any matter of defence or foreign policy that is under consideration and might have an effect on the others. However there is no formal commitment to do so, and although the general understanding is usually observed, there are many instances in which consultation is no more than nominal. There is no obligation to do, or not to do, any particular thing even if it does adversely affect other Commonwealth members. There are no immutable rules, no sanctions for non-observance, no individual or collective obligations. The Commonwealth has never had a constitution or formal written agreement. Nothing of this sort was necessary in the old days and is not possible now.
>
> But what is necessary is a series of practical actions designed to enable peoples of different racial origins to get to understand each other well enough to agree on the amount of mutual co-operation necessary for survival. The countries of the Commonwealth already have a considerable basis of common tradition in common trading practices, respect for law and order, the need for honest and capable civil services, per-

> sonal liberty, education, a more or less common language and nationality, and much else. But not even all this is enough to offset the passionate insistence on complete individual autonomy that makes the Commonwealth at present no more than a loose association of completely independent states.
>
> The United Kingdom has laid down the blue prints of good administration for a quarter of the world's population – democratic government, the rule of law, freedom of the individual and all that goes with these essentials which will fertilise a large proportion of mankind for generations, for which, I hope you agree, she deserves very great credit.
>
> But how will this great leavening mature in the future? Will this great contribution, this great seeding be recognised? Will it mature to the world's advantage in the future? Will the association that Britain has created survive to the world's advantage? It will not be enough for the British Empire and Commonwealth to be regarded in the years to come in the same way as the Roman Empire is now regarded. Will Britain's great accomplishment survive in a new form as an influence of good in the world of the future?"

Of course, steps have been taken to try and improve matters. The establishment in 1965 of a Commonwealth Secretariat to serve the Commonwealth collectively reflected the new character of the association. An outstanding man, Mr. Arnold Smith, a great Canadian, whom I much admire, has been appointed as the first Secretary General. The first Prime Ministers' Meeting serviced by the Secretariat, held at Lagos in January 1966 to consider the Rhodesian situation, was also the first such meeting to be held outside the United Kingdom.

The first co-operative aid scheme for developing countries – the Colombo Plan – was, in its origin, a Commonwealth project. It had its inception at the Commonwealth Foreign Ministers' Conference held at Colombo in January 1950. Ten years later the Commonwealth Prime Ministers' meeting in 1960 decided on the Special Commonwealth African Assistance Plan (SCAAP). Nearly £80M of financial aid was disbursed by SCAAP in 1965 – the last year for which figures are available.

The Canada/Caribbean Conference held in Ottawa in July 1966 agreed on further measures of co-operation between the Commonwealth countries in this area. Canada announced a five-year aid programme for Commonwealth countries in the Caribbean, substantially increasing the present rate of aid to a minimum of 65 million Canadian dollars for the period.

A meeting of Senior Commonwealth officials opened in Nairobi on 24th May this year to consider ways of promoting Commonwealth trade and possibilities of joint Commonwealth development projects. Britain has contributed strongly to this co-operative effort. Over 80% of all the economic aid the British Government gives goes to other Commonwealth countries. British Government bilateral, financial and technical aid to independent Commonwealth countries rose from under £52M in 1957-58 to £166M in 1965-66.

Commonwealth co-operation is particularly strong in the field of education. The first Commonwealth Education Conference held at Oxford in 1959 inaugurated the Commonwealth Scholarship and Fellowship plan, to enable a thousand Commonwealth students of high intellectual promise to study at any one time in Commonwealth countries other than their own. From 1966 Britain is providing a hundred medical Fellowships as an additional contribution to the plan. The next Education Conference is to be held in Nigeria in this November 1967. I myself have played a small part in this by establishing the Nehru Memorial Trust in London which pays for post-graduate

Nehru Scholars to come from India and do work in the British universities. This scheme is going strong and proving very successful.

The 1964 Prime Ministers' meeting decided that an initiative similar to that taken in education should be undertaken in the field of medicine and public health. Measures for this purpose were decided upon at a Commonwealth Medical Conference held at Edinburgh in the following year and progress is to be reviewed at a further conference in Uganda in 1968.

Scientific co-operation within the Commonwealth remains close and continues. It is carried on by the scientific offices in London of the individual Commonwealth countries, by general scientific and specialist conferences and through the interchange of scientists. A very successful Royal Society Conference of Commonwealth scientists was held in April 1967 at Merton College, Oxford. As a recently elected Fellow of the Royal Society I was greatly honoured by being invited to address this conference but alas I had to be in hospital on this date and was unable to accept.

Three years ago I founded the National Electronics Research Council and became its Chairman. It has now been promoted by the Minister of Technology to be the National Electronics Council with wider responsibilities, but I am still the Chairman. One of our principal projects is known as the "Selective Dissemination of Information". We got a £160,000 grant from the British Government for the trial period of this project. A thousand Research Workers will take part in the pilot scheme, of which 200 will come from the Commonwealth including, I hope, about 60 from Canada. I gave a lecture on this project to a considerable number of Canadian Research Workers in Ottawa last year. I was gratified to find the interest which was shown; and the response.

I recently visited Paris and had the honour of receiving a gold medal from the Société pour L'Encouragement de l'Invention et la Recherche. This gave me the opportunity of an informal discussion with some of the French scientists and I asked them if they suffered in France from the same brain drain that we were suffering from in the United Kingdom where the United States appear to be enticing away most of our best scientific research workers offering them higher pay to work in the United States.

One of the French scientists replied as follows:

"Non, monsieur, et cela pour trois raisons:

> Notre langue
> Notre cuisine
> Nos femmes."

This April the British and Australian Governments agreed to a joint project to build a large 150-inch optical telescope in New South Wales.

Another major example is the recently completed comprehensive telephone cable system, costing £60M, and linking Britain to Singapore via Canada, New Zealand, Australia, Malaysia and Hong Kong. The final section, the South East Asia Commonwealth cable (SEACOM) was opened by the Queen in March 1967. The system as a whole contains over 17,000 nautical miles of submarine telephone cable.

Personally I feel convinced that one of the greatest binding forces in the Commonwealth can be found in the various Commonwealth societies which are not Government sponsored but are voluntary organizations. I am the Grand President of three of these; the British Commonwealth Ex-Services League, The Royal Life Saving Society and the Royal Overseas League.

The principal Ex-Service Associations of almost all the Commonwealth countries are affiliated to the British Commonwealth Ex-Services League which has been in existence for 43 years. I have visited Ex-Service Associations in 27 Commonwealth countries and we hold a conference every three years. They have been held in London, they have been held in Canberra, they have been held twice since the war in Ottawa and the next one will be held in Jamaica. We have instituted a B.C.E.L. Welfare Fund to which every Commonwealth country is contributing according to their means and from which they will receive according to their needs. The most generous gesture of all came from the Royal Canadian Legion which set the pace which other countries are now doing their best to follow. I was able to launch the appeal at a dinner of businessmen in Montreal last year followed by my addressing the Annual General Meeting of the Royal Canadian Legion who gave the fund most generous support. Canada has done a great deal for the Ex-Servicemen of the Commonwealth. She has sent the Secretary of the Royal Canadian Legion to Nigeria and helped them reorganize themselves, and she is now helping in the various Caribbean territories.

The Royal Life Saving Society was founded 76 years ago. It consists of four great autonomous branches – the United Kingdom, Canada, Australia and New Zealand – to which are affiliated smaller Commonwealth territories. Last year we gave 330,000 awards for proficiency in life saving. It is a very live concern here in Canada where General Guy Simonds is the President and your own President of the Empire Club, Bredin Stapells, is the very active Deputy President. I attended the Annual General Meeting of The Royal Life Saving Society Canada in Montreal last year, and was most impressed.

The Royal Overseas League is active all over the Commonwealth and I have visited many branches. Only to-day I had the pleasure of again visiting your fine club headquarters in Toronto. The Royal Overseas League holds an annual Commonwealth Musical Festival for young Commonwealth students and gives prizes. The 1967 one has just been completed in London, and as usual, was a great success.

I am also a Vice President of the Royal Commonwealth Society which does splendid work all over the Commonwealth.

Nor must I forget to mention the St. John Ambulance Brigade of which for many years my wife was the Superintendent-in-Chief. Of the one-quarter million members more than half are in the Overseas Countries of the Commonwealth. The St. John Ambulance Brigade is particularly strong in Canada where a bursary was founded in memory of my wife.

But these in themselves are not enough.

To remain a force for good in the world and indeed to increase our influence and prestige greater efforts are required.

I have noticed the tendency in the different Commonwealth countries I so often visit to look to the United Kingdom to make the sole effort. As the original Mother country she certainly has duties to perform in this connection. But she is an old lady and has a young and vigorous family. No child is more mature, more vigorous and more able to help than Canada. Thus we are always delighted when we see the splendid efforts being made by Canada to strengthen the Commonwealth. This magnificent dinner to-night is merely one example of what Canada does.

The other Commonwealth countries probably receive as much encouragement from being helped by a Sister as by the Mother and, indeed, in the case of those who were at one time occupied in a military way by the British I think countries like Canada have greater opportunity than the old occupying power. And yet I must say that there is astonishingly good feeling between the different countries of the Commonwealth who have been given their independence and have remained within the Commonwealth.

I remember on a visit to Mexico in 1963 at a luncheon party given at the Indian Embassy the Indian Ambassador stood up and made a very charming speech expressing the great goodwill that the Indians felt towards the British and particularly to my late wife and myself. The British Ambassador in Mexico at that time was an Australian. The Mexican Foreign Secretary sitting next to his wife remarked to her that if he had not heard with his own ears the Indian Ambassador express this strong admiration and friendship for the country that once occupied them he would never have believed it.

I would like to end this speech by four quotations. The first is from my great friend Jawaharlal Nehru, the first Prime Minister of India, who not very long before his death, in fact in September 1962, said:

> "The real value of the Commonwealth is its extreme flexibility, which enables people from the four corners of the earth to gather together in a friendly way to discuss matters frankly and yet be able to come to some broad conclusions.
>
> I think this type of asociation, the new type – new, I mean, since the Commonwealth developed so – is a very good type and far better than the associations which limit the way of each country, and that is why the Commonwealth has succeeded in spite of differing opinions.
>
> It is an extraordinarily good thing that people from America, Europe, from Asia and Africa, and Australia, come together with their different problems, different outlooks and express them frankly and yet come to more or less common conclusions. It is because of its flexibility that it carries on successfully. Rigid things tend to break up when there are vital differences. So I think the Commonwealth does play an important part not only within itself but in the world."

Soon after Mr. Harold Wilson became the British Prime Minister, in fact on 16th November 1964, he said:

> "The Commonwealth has a unique role to play in the world of social conflict. It is the greatest multi-racial free association in the world. It expresses within itself the traditions of the past, the strength of the present, the hope for the future. It can give a lead in the United Nations based on its own unchallenged quality, the quality of adaptability and responsiveness to change, because that is what has made the Commonwealth what it is."

As recently as last October our Foreign Secretary, Mr. George Brown, said:

> "We must never underestimate the importance of this multi-racial group which includes nations at every stage of economic development, and which embraces a quarter of the world's population. It is making a great contribution to the solution of those menacing problems which centre on race and the gap between the poor and the rich of the world. We have trials and tribulations, but the Commonwealth is a tremendous source of strength to all its members, and features more largely than we allow for in other nations' thinking."

Lastly, may I quote what your own Prime Minister, Mr. Lester Pearson, said twenty years ago in January 1947 about the future development of the Commonwealth:

> "The policy of the British Government with regard to the dependent territories under our administration is clear. We believe that the peoples of these territories should proceed to self-government and independence as rapidly as possible. We have considered, and do consider, these territories with their own characteristics and distinct traditions and way of life, though they were for the time being under the administration of the British Government. There is much more to

> this process than proclamations of independence. The British Government have given the greatest care and attention to the creation of a competent civil service in each territory, to the establishment of impartial courts of law, and to the setting up of representative parliaments. The emergence of these countries as free and independent nations is the logical and practical outcome of this consistent policy of preparation and training."

I am sure you will agree that your Prime Minister's prophecy has been very well fulfilled and is still in the course of being fulfilled. This fulfilment will figure largely in a television serial of my life and times which will be completed in a year's time.

The title of this speech is "The Unsinkable Commonwealth". To carry the analogy further, if the Commonwealth is an unsinkable ship this is because the ship herself is constantly undergoing changes, being refitted and modernized, in such a way as to make her more and more unsinkable.

And talking of ships, my personal contribution to the outward and visible symbol of unity among the Commonwealth Navies has been to advocate that in addition to flying their National Flag in the bows of their ships, they should fly a Commonwealth White Ensign at the stern. This consists basically of the flag of St. George, white with a red cross, but has the National Flag of the country concerned in the upper corner. Let us not forget that it is at sea that the forces of the Commonwealth most frequently meet. I am therefore glad that as well as Australia and New Zealand, the Navies of the other Commonwealth countries, such as India, Pakistan, Malaysia, Jamaica, Trinidad, Ceylon, Ghana and Nigeria fly this White Ensign.

Finally, let me say, Canada does so much to make the

Commonwealth real, worthwhile and unsinkable that it has been a very special pleasure to pay a tribute to her magnificent contribution. May I congratulate the Empire Club of Canada very much for all that they do to help make the Commonwealth strong. And, may I thank you very much indeed for all your kindness and hospitality.

Thanks of the meeting were expressed by Graham M. Gore.

OCTOBER 5, 1967

Using The Commonwealth

AN ADDRESS BY Arnold Smith
COMMONWEALTH SECRETARY-GENERAL

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

Today we stand two-thirds of the way through the 20th century. And if we ask ourselves what are the special marks of a 20th-century man – the characteristics that distinguish him from his fellows in other ages – we might say that he is a mobile man, a man who moves easily and often within many cultures and many countries. He is also a man with a variety of experiences, a man who communicates well, and very often a man who is no stranger to public service.

Such a 20th-century man is our speaker today. He is a native son of Toronto but he has lived and worked in France and in Russia, in Egypt and in Estonia, in the United States and in Belgium, in Great Britain and Indo-China. He is fluent in both French and Russian, and during a distinguished career he has been a Professor of Economics, a Foreign Service Officer, a Truce Commissioner, an Ambassador, and a United Nations Delegate. For over two years now he has been Secretary-General of the Commonwealth.

Our speaker was born in Toronto and was educated at Upper Canada College, the University of Toronto, and in

France. He was a Rhodes Scholar and spent a year at Oxford, England. In the succeeding thirty years his career has kept him close to the big events of our time. During the war years he was an attaché at the British Embassy in Cairo and later with the Canadian Embassy in Moscow. After the war he served with the Department of External Affairs and in the next fifteen years he represented Canada on the United Nations Security Council, at the Canadian Embassy in Brussels, as an International Truce Commissioner in Indo-China, as Canadian Minister to the United Kingdom, and as Canadian Ambassador to the United Arab Republic. From 1961 to 1963 he became a widely known international figure when he served as the Canadian Ambassador to the Soviet Union. We remember those years now as the Kennedy-Khrushchov years and we remember too that they included the Cuban Missile Crisis, a time when nations were close to nuclear war.

With that kind of background our speaker was uniquely qualified to take up his appointment in 1965 as the first Secretary-General of the Commonwealth. His chief responsibility is to promote greater understanding and co-operation among the 21 nations of many cultures that make up that unique organization, of which Canada is a proud member.

In an article in *Maclean's Magazine*, Terence Robertson has commented on the fact that "the weirdness" of the Secretary-General's job lies in the nature of the Commonwealth itself.

"In it are monarchies and republics, socialist states and conservative states, white countries and black countries, big elderly nations and young small nations. They have little in common but a language and historic connections with the British Crown. They have no common economic or regional interests, no shared political ideals, not even a basic foreign policy to which each could subscribe at least in part."

Our speaker is in Toronto as a Centennial Visiting

Professor of the Varsity Fund, and we are grateful to the University of Toronto for making his presence possible here today.

And now it is my pleasure to introduce to you a man who has represented this country for three decades in the far places of the earth, a man who is now chiefly concerned with the historic concept of the Commonwealth of Nations, a man sometimes referred to as Mr. Commonwealth – His Excellency Dr. Arnold Cantwell Smith.

MR. SMITH:

Thank you, Mr. President. It is true that, in the course of the last 30 years, and particularly in the last couple of years, I have had to shuffle around the planet a little bit. I have discovered, among other things, that there are rather a lot of time zones in my parish, and these past two years have not been very restful. I have averaged about 10,000 miles a month, someone calculated, and my wife keeps reminding me.

Now, in the past two years it has certainly not been dull, but it is good to be in Toronto today and good to have my second chance of being in Canada in this centenary year. It has been quite a centenary and it is not finished yet.

Now Canada, like other multi-language countries, has been going through a difficult period, but it is important, I think, to see these difficulties in perspective, and to realize just what it is that is involved. When Canadians of two founding races, or nations, or language groups, decide to make one federal state this, perhaps, seems an unusual thing to a good many political observers at the time, but as the events of the last couple of decades have shown, multi-language, multi-cultural and multi-national states today are not the exception; they are typical, and many of them have been going through a difficult time, but it is very important to see the problems in perspective, and I sometimes tell my African friends that we have tribal problems in Canada too, and sometimes they think I am joking but I am not.

It is important to realize that what is involved in setting our hands to making a plural society is one of the major tasks of mankind today. It is very salutary I think for Canadians when they sometimes feel a little overwhelmed at some of the problems of making a success of a bilingual and bicultural state, to realize that a century ago what we set our hands at has proved to be one of the essential tasks of mankind, and it is important to see these tasks in perspective.

If a country with Canada's material wealth and cultural traditions, and coming from two of the greatest cultures of our civilization and with our practical experience of self-government, cannot make the resounding success that I am sure we can make, and will make, of a multi-lingual, multi-cultural society, what on earth would we expect to be the prospects for such vaster more multilingual and multi-cultural states as India or Pakistan or Nigeria or such smaller or complicated ones as Kenya or Zambia or Malaysia or Singapore.

We must, I think, see these problems in perspective, see them also, and deal with them also, in the perspective of where any sane man must realize we have to move as a world in the next generation or two and this, I think, can only be one goal, and that is to make a united world, an effective community with community institutions commuting on a global scale, and if we do not succeed in this the prospects that we may blow ourselves up are far from negligible.

A century ago, we not only embarked on what has proved to be one of the fundamentally decisive political tasks of mankind – the establishment and maintenance and development of a multi-lingual, multi-cultural state – but we also invented, in dialogue with the British, the Commonwealth. The Commonwealth, to a very great extent, has been a Canadian invention. It was shaped in a whole series of crucial decisions, and to a great extent by Canadian needs and Canadian pressures, and it is important to reflect that our motives have not been based on backward-looking sentiment in the past, but to forward calculations in the future. Originally, we wanted to maintain our association with Britain, but without subordination and inequality, in part for reasons of trade, and in part – a considerable part – for diplomatic and defence reasons. We wanted a counter-weight to our American neighbours who, at that time, were talking about their manifest destiny to liberate a whole continent to their particular version of freedom, and who tended, in those days, to make Canadians rather nervous.

In other words, we had good reasons of national self-interest, and in the decisions that shaped the Commonwealth during the thirties Canada, which had to make the Commonwealth into a sort of an association in which peoples of non-Anglo-Saxon origin could also feel at home, played a pretty decisive part in first opposing and changing the original concept of diplomatic unity of empire.

I remember in my school days that the front spaces of the text books used to talk about one fleet and one flag and one throne, which was a worthy concept, but wasn't the concept that we insisted on, largely under the broadening of Winnipeg editor, Defoe. And, of course, if that concept had been accepted there would have been no possible chance that Asians and Africans and others, when they became independent, would have decided to apply for membership in the club, and in the decisions that have transformed the Commonwealth in this decade, the emphasis on the principle of racial equality, for example, in discussions that led to the withdrawal of South Africa.

The Canadian role was, I think, typical and the same thing applies in the discussions which were not easy, and the decisions which were not obvious, and very controversial, and sometimes agonizing, to tackle the Rhodesian problem, and to use the Commonwealth to hold and try to resolve this very difficult, very dangerous question of relations between races. In other words, we have a lot of responsibility for the shaping or association that we now have. It is also worth reflecting what this association has done for Canada.

I think it has been the most important single influence for many decades in leading Canadians to break out from parochialism; to see the cold war, for example, in the early fifties when it was raging heavily. In perspective, to realize largely the result of the continual emphasis of people like Jawaharlal Nehru, and the other Asian leaders of liberation movements – that the future of humanity wasn't going to depend merely, or perhaps mainly, on the issue of Western-Soviet relations – and I don't intend to downgrade the importance of that; I have spent a good deal of my life dealing with that problem – but that the future of humanity would depend, not less and perhaps more, on what we, mankind, should do about things like the struggle of colonial peoples for independence, the demands of non-white races for racial equality and removal of discrimination, and above all, perhaps, on what we do about the growing demands of the world's poor, who are the vast majority, and to rid themselves of poverty, disease and illiteracy.

Now, the modern Commonwealth, as I suggested, to a great extent has been a product of Canadian influence in these very crucial decisions. It seems to me this can be incomparably more important in the next 20 or 30 years than it has ever been in the past. It can be, and whether it will be or not remains to be seen. This depends on the vision and political will of governments and democracies; on the vision and political will of men like yourselves – the leaders of public opinion.

Now, the reason I say it can be more important is pretty obvious if you stop to think of it. The modern Commonwealth is a very different group than the original which it subsumes. The original Commonwealth was peripheral to what were the most dangerous problems of the first 45 years of our century – relations between nations and states in Europe. The Commonwealth association, as such, could not really do much decisively to prevent the mishandling of these problems though it had to play a very important part in fighting the two World Wars which mishandling led to. Again, the most dangerous problem, I think for some 18 years after 1945, was this question of Western-Soviet relations, and again in that issue, which very nearly led to a thermo-nuclear war, the Commonwealth association, as such, was peripheral, but today the Commonwealth is squarely in the middle of the most dangerous and difficult issues which mankind faces.

The Commonwealth today is 26 nations – it was 21 when I was elected to this post, and there were people who thought that it was going to diminish rather rapidly not many months after, but actually, it has grown, and now we have 26 members. I look forward, within a matter of some months, to welcoming in the 27th, another French-speaking country. I am speaking of Mauritius. These 26 countries are, in effect, a cross section of mankind, and of the problems of mankind. There are peoples of every race, or virtually of every race from every continent: very big countries, such as, India, Pakistan and Nigeria, and very small ones, such as, Zambia and Singapore; very rich ones, such as, Canada and Australia – that's a booming place; I was there last May and I found that everytime a man put a shovel or spade in the ground it turned out he was likely to find a multi-million-dollar resource – and it includes very poor countries far too numerous to mention.

Now, there are people who think that this cross section of mankind is rather anachronistic, rather an illogical grouping. It is not. This, I think, is straight nonsense. It is a group of countries which represent every kind of diversity and problems in race, in economic needs and necessities, but which, nevertheless, has a great deal in common in the way of traditions handed down largely by the people of Britain – that astonishingly creative little offshore island – not only the ability to get along in English, as one of the working languages, although English is not the mother tongue of the vast majority of us, but a lot of traditions in political methods, administrative methods, and particularly, I think, in this matter of administrative methods, civil service practice, and so on, which is so important in the terms of governmental understanding; similarities in legal and judicial traditions, in organization and ethic of professions, the similarities in the organization of educational systems, and the whole network – the criss-cross network of friendship.

These things, if properly used, can make the international understanding not easy – I don't think it ever is easy – but a good deal less difficult than otherwise it would be. If properly used it can do a great deal to expand people's awareness, sympathetic understanding of each other, and a great deal to lead to practical co-operation. If you reflect on what the Commonwealth association has done for the expansion of Canadian awareness, and therefore, the development of Canadian policy, you will see what I mean in suggesting its potential importance for future influence, as well as present influence, on the development of the thinking of a good many countries far newer than we centenarians are to independence.

Canada wasn't really an isolationist in the 19th century, and it is significant, I think, in 1914 and 1939 Canadians considered that the German threat to democracies in Western Europe was a threat also to democracies in North America, and therefore, entered World Wars I and II within a matter of days of Britain and France. But if our assessment of the threat to democracy in North America was a valid one, and I think it was, it applied equally, and it was equally valid for our American friends, but it took them two and a half years in each case to recognize the validity of Canadian assessment of common interest. The effect of the Commonwealth, I think, in keeping our horizons rather larger than they otherwise might have been was important there. But it is especially, I think, since the war that the Commonwealth associations have done so much to expand Canadian horizons, awareness, and therefore, policies. It is largely as a result of the membership of new Commonwealth countries in Africa, Asia and the Caribbean, that Canadians developed diplomatic missions in Africa and in Asia and the Caribbean – not entirely, but very largely.

Now, again, it is entirely as a result of Commonwealth meetings, and the pressures and sympathies they engendered, that Canada got involved in 1950 in the external aid program. This was considered a pretty radical idea at the time, that the Canadian government tax Canadian electors to help poor countries develop their economies. There was a lot of opposition to it. It was not accepted – it would not have gone through Cabinet or the top civil service that usually things have to go through before they get to Cabinet, had it not been for the pressure of a few men of vision who had been at that Colombo meeting of Commonwealth foreign ministers, and the recognition by other Cabinet ministers and top civil servants, that the Canadian public would probably agree to this radical new departure in policy as a gesture of Commonwealth cooperation.

Now, of course, we should have opened up diplomatic missions in Africa and Asia, Commonwealth or no Commonwealth. We should have gone into the aid game, if I can call it that, because it is a very important thing in the long-term national interest of any inhabitant of the world. We should have gone into these things, Commonwealth or no Commonwealth, and we probably would have sooner or later, but it probably would have been much later. However, the fact is that it was the Commonwealth connections and the effect of these things on our vision and awareness that led to Canada developing into a much less parochial nation than we otherwise might have been.

I think if you reflect on the real needs, if we are going to develop a kind of global society that we have to for safety over the next generation or two, the real needs in the evolution of the thinking of Africans and Asians and others, it is essential that they too should maintain and develop broad horizons, broad vision, and it is, I think, pretty obvious that the Commonwealth contacts, Commonwealth meetings can serve mightily as one instrument to encourage and nourish this enlargement of horizons – this expansion of vision and the mutual adjustment of policies which the situation requires.

The greatest dangers in the world today, it seems to me, are three-fold, I suppose. One is the nuclear proliferation problem, and that certainly is a world problem and not a Commonwealth problem as such. Secondly, and not less important, the dangers that decline into merely regional thinking. The development of neo-isolationism, and you will find lots of signs of this trend in North America, in Asia, in Africa and very much in Europe.

Thirdly, the dangers involved in the growing gap between the rich and the poor; the dangers that the rich-poor dichotomy could coalesce with the division between the white races and the other races of mankind. In the line they are largely, although happily not entirely coinciding, and if developed on a global scale something that could become very dangerous and very ugly.

If you will reflect on the race riots in the American states during this past year you will see what I mean. It has been suggested by McKone, the former head of the C.I.A., that these race riots could destroy the United States unless the root causes are effectively tackled. It seems to me far from fanciful to suggest, that in a decade or two, unless we can reverse some present trends, we can get a very dangerous irrationality and violence based on racial hatred and frustration on a very large scale – on a global scale – and this could be of profound danger.

It is important to recognize the gap between the rich and poor of the world has been widening – it still is widening. This decade was called or christened, hopefully by the United Nations when it began, the decade of development, but there are dangerous prospects that it will end up the decade of frustration for two-thirds of humanity. This can involve very serious political dangers for us all.

Now, as I say, the Commonwealth – the modern Commonwealth – is squarely in the middle of these problems of trust and confidence, and relations which can only be based on equality between races, and this is a problem of maintaining dialogue and using the dialogue for fruitful and constructive purposes between the rich of the world and the poor of the world. We are squarely in the middle of these problems, and it is to the extent that we can use this association to help deal with these problems that will matter. Many people have thought of the Commonwealth as a sort of relic or hangover of the past, and as something to curtsey to if you feel piously inclined and then pass by on the other side. This is nonsense. From the beginning it has been the product of hardheaded decisions of statesmen all over the world based on forward-looking calculation. It has been based on what responsible statesmen saw could be made of such an association as an instrument to help shape the future. I mentioned some of the original Canadian decisions which have been so crucial in shaping the evolution of this association from original groupings that could have been conceived of as one of kith and kin into modern multi-racial groups that subsumes the old Anglo Saxon grouping – all but those few that rejected the wider ideal that subsumes that group into a wider family that include peoples of Africa, Asia, the Caribbean and the Mediterranean in an association that is something important to prefigure the family of man.

I have been pretty closely associated with the leaders of the new Commonwealth governments over the past few years and I know that their decisions to apply for membership in the association have been based on forward-looking calculations, not sentimentality in the past which, to them, often meant unhappy memories of periods in jail and periods of discrimination and inequality. It was based on rejecting temptations to pursue the policy of nation-building which is the main task of these leaders of liberation movements when they finally get the power, to reject the temptation to build that on nourishing resentments about the past on negative emotions which is so easy and so tempting for the cheaper kind of politicians, and to base it instead on using an association precisely because they saw value in the association that brings together, from time to time, leaders in various fields of some European countries, some North American countries, African countries and Asian countries and so on. They have based their calculations partly on vision for a united world which they recognize is essential to their peace in the future and also, of course, on hardhearted calculations as to what they can get out of it in the way of aid opportunities and trade opportunities and diplomatic contacts and friendships, and what they can put into it using it as one of the channels through which they can try to influence the thinking of others, and therefore, help to shape the decisions that will determine the future of our world. Very often the leaders of national liberation movements, the first prime ministers or presidents of new independent countries, are men of quite unusual vision and spiritual force, and of course, it is not surprising. It is not surprising, I think, that Nehru has become a legendary figure in the folklore of his country and I think we should recognize that people like Jomo Kenyatta and Kenneth Kaunda and Nyrere will become legendary figures in the folklore of their societies in Africa, and I think deservedly so. They are men of vision.

Now, the Commonwealth, like other international associations, United Nations and NATO, Organization of African Unity, has been going through an extremely difficult period during the last two years. Naturally, we have stresses – what would you expect? International associations, meaningful ones, are precisely designed to deal with difficult international problems, but it is very important, I think, not to take the future of any of these associations for granted although the potentialities of the Commonwealth Association can be far greater over the years ahead than it has ever been in the past because we are far more relevant to the problems. Problems are bigger and tougher, and let's face it we can't take for granted the vision and political will of governments and peoples. These things do vary from time to time and some of the trends have been going in the wrong direction.

It is pretty clear, if you look around the world as our planet shrinks, and it is shrinking, there are increased pressures on all of us to make certain adjustments to take account of the needs, hopes and fears of others, and as these pressures increase, and they are increasing, and they are going to go on increasing, it is not surprising that sometimes the reaction, instead of enlarging intellectual horizons and broader sympathies that the situation requires, is one of increased mutual irritation, intolerance with others, increased hardening of hearts. You will find lots of evidence of this in all parts of the world, and thoughtful men will recognize that unless these trends can become minor trends the prospects for humanity are not going to be all that bright.

Now, I don't want to suggest that the Commonwealth is going to save the future. Of course it is not. The most important international association, I think, is the UN precisely because it is supposed to be, and is, nearly universal, but the Commonwealth is far more intimate an association. Its methods of operation are very different: quiet meetings without complicated procedures, taking decisions by the process of consensus which is a very sophisticated process. It is not the same thing as unanimity. In the last few years we have held prime minister meetings that were strongly opposed, and indeed, boycotted by a couple of heads of government, but it is a very sophisticated and very flexible and subtle process, and it has so much to build on in the way of similarities often of habits, political habits, administrative habits and so on, and the things I have mentioned.

Its goals are the same as of the United Nations and it has made, and can make, tremendous important contributions to nudging humanity forward to the goal of a united community of mankind if we keep our eye on the ball, but that's a big "if". I think it is important to see the Commonwealth pretty clearly for what it is – an instrument to help shape the future in co-operation with others, and not in rivalry to them, and to avoid falling into false images which particularly, I suppose, in the Commonwealth abound so much. There is the old kith and kin image, which I referred to, and some people I think often refer to – I know I have often referred to the ghost-of-empire image. If Anglo-Saxons support the Commonwealth mainly for reasons of sentimentality because it reminds them of an empire of which they rightly feel proud, it is not surprising that French-speaking Canadians, and sections of Africa and Asias opinion, if they think of it in these terms of the past, should feel allergic to it. They wanted to forget that particular aspect of the past. Both groups remind me rather of the Ju-jube bird that I learned about when I was at Upper Canada College. That is the bird that always flies backwards, I was told, because it is more interested in where it has been than where it is going. Now, we have got to avoid that kind of image. We have got to avoid too, I think, the idea which is widespread in parts of my rather vast parish, that the Commonwealth is sort of a surrogate or placebo for a vanished empire – something designed to ease the psychological shock of the British of having given independence to so many peoples all around the world, but something which, while psychologically useful for its period, has now served that function.

We have got to recognize that the Commonwealth is a two-way street of influence – influence coming in and influence going out, and it is precisely therein that its real value lies.

Now, Canadian responsibility, which is very great, has been rather crucial to changing the shape of the Commonwealth from the old, and apparently, the Anglo rich man white man's club, into a modern multi-racial group of 26 nations of which peoples of European origin are only 15%. It is important, I think, that Canada should continue to play a full part in using the association, and we have been doing that. The decisions to use the Commonwealth to deal with the Rhodesian problem were tough decisions. Parliament is not yet resolved, and I don't intend to go into it here except to say it is essentially a matter of political will.

The prestige now of the United Nations and of the peace articles in the UN Charter, the mandatory sanctions articles, are engaged, and if, not for technical reasons but through lack of political will to follow through, they fail, as they may, that following on the failure, for reasons of political will, not technical reasons, of the League of Nations sanction against Italy during its aggression against Abyssinia in the 1930s, could be pretty serious in terms of the prestige and influence and credibility of the United Nations and international laws as a whole. It is a serious issue, but I don't want to go into that issue at great length.

I do want to say something very briefly about the importance, as I see it, of using the Commonwealth as one of the instruments for assistance in development. I mentioned that the gap between rich and poor is growing. The growth rate of the developing countries of the world is slowing down. There are some exceptions, but over-all they are slowing down rather markedly. The total flow of resources from the rich countries to the poor countries has been about constant in the last six years of about 6.6 billion dollars, and as a percentage of the significantly increasing wealth of the industrialized countries of the world has, of course, been declining markedly – in terms of the amount of aid per capita to the development countries it has been declining markedly. Even this absolutely increasing amount is being offset by return flows in interest payments and amortization and so on and, of course, some of it is offset by price increases.

In other words, if we are going to really tackle this problem of development – and of course, the main responsibility has to be with the peoples in the developing countries themselves, but they do need help – if we are going to tackle the problem effectively, and when I say "we" I mean mankind, we've got to lift the whole problem on a new plateau, a new plateau of vision, goodwill and energy and resources. We must also find some new and more flexible and more effective techniques.

Commonwealth heads of government said at their meeting last September, and in their communiqué, that they believed that the Commonwealth could play a central part in the strategy of economic development. Most Commonwealth aid goes, and I think this is as it should be, through bilateral channels, but in 1964 Commonwealth heads of government at the initiative of Sir Alec Hume, the British prime minister, said that they wanted to supplement this bilateral aid with some multilateral aid on specifically a Commonwealth basis, and when they set up a secretariat and appointed me, they wrote into my terms of reference that I was to advance and assist in obtaining resources for some development projects and technical assistance on a multilateral technical basis. That was fine, but nobody gave me any financial resources to do this.

Now, last September I suggested to the prime ministers meeting, in some papers that I put up, that they should do so – that they should implement these fine words with some action. Most of the meeting was taken up with some rather difficult discussion about Rhodesia, and no decision was taken, but I was asked to call a conference of senior economic officials of Commonwealth countries and I did so last June in Nairobi, and there an agreement was reached by senior economic officials of the 26 countries on some practical proposals.

These were recommendations to governments and now have been approved by most governments, and we are setting out to recruit about a dozen top flight economists from various Commonwealth countries to provide the nucleus headquarters staff to develop a couple of new multi-lateral Commonwealth programmes which, while they will be small certainly to begin with, involve a breakthrough in method and can become very important in the future.

One of these is a technical assistance service concentrating on the fields of planning and public administration – fields in which, because of similarity of method, Commonwealth countries have so much in common, and working in little teams, and again because of the amount in common in these areas that Commonwealth countries have in making these teams relatively effective, I think. And the scheme provides that we will be allowed to recruit experts not only from industrialized countries, whose money we will use, but also from the developing countries where experts will often have experience more relevant to the problems of other developing countries than those coming from highly industrialized countries like Canada, Britain or Australia. That is one breakthrough.

Another one is to examine the feasibility in detail with costing and in depth to apply some aid resources to the problem of developing new markets for the exports of the poor Commonweath countries.

There has been a lot of emphasis put, in the last several years, in the slogan, and it is a good slogan "Trade not just aid", but so far only lip service has been paid to it. Businessmen, such as yourselves in advanced countries, know very well that to develop new markets you usually have to take a lot of sophisticated market research, packaging and design research and work, and then some pretty active and sometimes expensive trade promotion before you begin to sell.

Now, these things take sophisticated expertise, and they take the investment for foreign markets of foreign currencies before you begin to get returns, and both of these things developing countries are short of to the extent that if we can use some aid resources to increase the exports to develop new markets of developing countries, we will help them to stand much more on their own feet. We will increase what is called the private sector, the private business enterprise of these countries, and I think the multiplier effect, the return in development, in production, in earnings of dollars spent in this key area can be perhaps greater than in any other area. Thus far it has gone traditionally to things like helping people increase production or to socio-economic structure or to education or to health. All of these things are profoundly important and more is needed in these areas, but thus far virtually nothing has gone into modern practical business methods of helping developing countries learn how to sell.

There has been a lot of talk about the need of more access to the markets of developed countries, less quota restrictions, less tariff restrictions. COMTAD has been emphasizing, and will continue to emphasize the desirability of some preferences for developing countries for more access to markets, but the practical problem of developing a market, once the legal restrictions and administrative restrictions are removed, is a business problem and it seems to me that this Commonwealth initiative for some practical co-operative assistance in this business field may prove of real importance to the future. Well.

I mention those two things merely as an illustration.

We have had, during the past couple of years, meetings of Commonwealth law ministers and trade ministers and finance ministers and health ministers, and we have another one scheduled for next year. Within the next few months we will be having a fourth triennial Commonwealth conference of education ministers in a great many fields: scientific co-operation, economic fields of all sorts, technical fields, civil aviation and others. Commonwealth co-operation is a very real and practical thing.

These are not the sort of activities – they are not the types of meetings – that usually get the headlines. These things go to prime ministers meetings where often there are great controversies and crises, and sometimes they are pretty wearing meetings I can assure you, but it is important to recognize that at the working level, and I mean by that, functional ministers and senior officials in a wide range of fields, the Commonwealth does matter. It is to the extent that we can focus on these things and use them and use them increasingly and nourish the new programmes, for example, for developing assistance through the Commonwealth – it is on all these things that the future of this association depends.

I believe, as I said, that the future can be more important than the past where it will depend on the extent to which the association is used and these programmes are nourished by the Government. I am not complacent but I am not a pessimist. Thank you very much, Mr. President.

Thanks of the meeting were expressed by R. Bredin Stapells.

OCTOBER 12, 1967

Focus on India

AN ADDRESS BY General J. N. Chaudhuri
HIGH COMMISSIONER FOR INDIA

CHAIRMAN The First Vice-President,
E. B. Jolliffe

MR. JOLLIFFE:

The following lines undoubtedly are familiar to everyone here:

> Oh, East is East, and West is West, and never
> the twain shall meet
> Till Earth and Sky stand presently at God's
> great Judgment Seat.

They were written at the turn of the century by the poet, Rudyard Kipling, who was born in India of English parents and spent much of his childhood there. A great deal has happened since Kipling wrote these oft-quoted lines, and although they have endured as poetry, they have certainly not survived as prophecy.

Today, we find the Republic of India – a centuries-old Eastern civilization, rich in population (the most populous in the Commonwealth), culture, and traditions – carrying on an ever-more active and fruitful exchange with nations of the West. Fully independent, but by its own free choice retaining fraternal bonds within the Commonwealth, India is engaged in a dramatic and spectacular undertaking to bring together Western technology and her own time-honoured wisdom in a way that will usher in a new era of physical and material well-being for her people.

In this context, the prophetic words of India's Nobel Prize-winning poet, Rabindranath Tagore, have the ring of truth:

> Now the door has opened to the West
> and gifts in hand they beckon and they come –
> they will give and take, meet and bring together
> none shall be turned away
> from the shore of this vast sea of humanity
> that is India.

To provide us with an up-to-date look at India, we are honoured to have an eminently qualified guide and interpreter in the person of our speaker today. On his father's side he is the eldest son of a distinguished family from East Bengal. His maternal grandfather was the first president of the Indian National Congress. He received his early education at St. Xavier's College in Calcutta and later at Highgate School in London. Obtaining a nomination to the Royal Military College, Sandhurst, in 1926, he was commissioned into the Indian Army in 1928 and joined the 7th Light Cavalry. An appreciation of his distinguished military career thereafter may be gathered from the following selected highlights.

In 1940 he went overseas with the 5th Indian Division and saw service in Sudan, Eritrea, Abyssinia and the Western Desert. He rose from the rank of Captain to Lt.-Col. in two years and was present at the capitulation of the Italian Forces in Italian East Africa. For his services he was awarded the OBE and three times was mentioned in Dispatches.

Recalled to India, he was appointed Senior Instructor at the British Staff College in Quetta and in 1941 led a regiment of the Indian Armoured Corps on a trek of 3,000 miles to join the fighting in Burma. The regiment, which then went on to lead the allied march to Rangoon, won great renown for its part in the fighting.

In 1946, our speaker was promoted Brigadier in Malaya and the same year was selected to command the Indian Victory Contingent to London. Following a course at the Imperial Defence College, England, in 1947, he returned to India and was appointed Director of Military Operations and Intelligence at Army Headquarters.

In 1948 he became Governor of Hyderabad State, where he also functioned as Chancellor of Osmania University and Chairman of Deccan Airways. In the years following, he occupied important military posts and led an Indian Military Delegation to China. In 1962, he was promoted to the rank of General and took over as Chief of the Army Staff. He held this position until June, 1966, and for his services was presented with India's second highest award by order of the President.

In addition to being a distinguished military man, our speaker has displayed notable talent as a writer and literary critic. He has written two books on military themes, and he has been Military Correspondent and a literary reviewer for one of India's leading newspapers. A further facet of his talents and interests was demonstrated during his term as Chief of Army Staff when he founded, and was first president of, the Delhi Symphony Society – an organization designed to promote Western music in the Indian capital.

Our guest assumed his present position on July 19, 1966, six weeks after his retirement from the Indian Army. He is located in Ottawa and his wife resides there with him. One of their two sons is married, has two children, and works for a business concern in Calcutta. The other son is studying in London and will be going to India in the near future.

Gentlemen – it is now my pleasure and privilege to present a celebrated soldier, an accomplished author, and an honoured representative of his country, His Excellency, General Jayanto Nath Chaudhuri, High Commissioner of India in Canada.

GENERAL CHAUDHURI:

For centuries India was a legend; a civilization which nursed philosophies that transcended space and time. India was also a dream of riches that beckoned many a wandering conqueror. The excavations of Mahenjadaro and Harappa, which began in the 1920s under Sir Mortimer Wheeler, now show that the beginnings of Indian culture go back five millenniums before the birth of Christ when the Indus valley civilization flourished. It was a startling discovery that communities 50 centuries ago lived in solid brick houses, in well laid out cities with underground drainage, that they had metallic implements and the wheel. Evidence shows that this was an indigenous civilization which had relations with the contemporary civilizations of Mesopotamia and Egypt. Like all civilizations it weakened and died. Two thousand years later the nomadic pastoral Aryans came in from the North-West and settled in the Gangetic plains. This was not a single gigantic migration, it was a series of waves over five centuries. The Aryans were worshippers of God through nature, a facet that is best seen in the poetry and hymns of their primary literary and religious work – the Rig Veda. This masterpiece was followed by three other Vedas and then the Upanishads, all of which show a remarkable ferment of thought and inspiration. The Upanishads which form the basis of Vedanta philosophy, the true roots of Indian philosophy and culture, represent a remarkably scientific pursuit of spiritual truths in the depth of experience.

Two important characteristics of this culture deserve mention – tolerance and the power of absorption. The former comes from a basic pronouncement of the Vedas: EKAM SAT: VIPRA BAHUDHA VADANTE, "Truth is one; sages call it by various names". It is this dictum that made India, throughout her history, give room and equality to people of all faiths. In India we have had Jews since before the birth of Christ, Christians from A.D. 58, Zoroastrians, religious refugees from Persia, from the 8th century and even in this century, Buddhists from Tibet. Today in India there are 11 million Christians – more than half the population of Canada – and 55 million Muslims, making it the second largest Muslim country in the world.

Indian culture has also shown a remarkable capacity for analysis and absorption. We have been enriched in every field by the coming of Persians, Greeks, Parthians, Bactrians, Scythians, Huns, Turks, Jews, Zoroastrians and finally the Europeans, in particular the British.

This, in the barest outline, is the basis of Indian culture and in understanding India, it is necessary to comprehend her cultural and philosophical values. In the march of history many a great civilization has had its rise and fall. The civilization of India has been no exception though perhaps in her case these values have never been lost sight of. However, time both harms and heals. Many of the laws enacted by the Aryans became over-rigid losing sight of their original purpose. The caste system was devised by the Aryans as a method of co-operative living based on the principle of "from each according to his ability". Movement from caste to caste was possible. Later this degenerated into rigid compartments with the priestly and warrior classes claiming superiority by birth. The necessity for keeping land from fragmentation, a vital necessity in an agrarian community, eventually produced the malpractice of child marriages. Families wanted to ensure inheritances. The ban against killing cattle was originally imposed to preserve livestock, the backbone of a pastoral economy. Later it acquired a superstitious religious significance. Elaborate ritual began to corrupt simple worship, something not unknown in Europe. Again, as in the West, powerful religious reformation movements in the form of Buddhism and Jainism built up in the 6th century B.C. While Buddhism spread to many lands in Asia far beyond the shores of India, within India itself it was not considered a separate religion. The teachings of the Buddha became another school of thought and philosophy in the imposing galaxy of Hindu metaphysics.

Politically, despite some strong rulers at the top, the heterogeneity of India always remained a factor to be considered. One should not be surprised by this heterogeneity for the country was made up of various ethnic groups, with great variations of climate and terrain. In Western Europe, an area smaller than India, the same heterogeneity creates problems of which we are all aware. When the booming days of colonialism started and Western eyes began looking outwards, European traders – the Portuguese, Dutch, French and the English – found this heterogeneity useful firstly for trading concessions and then for colonial annexation. It was easy to play one ruler against another. The East India Company, a private trading concern, who were strongly supported by their Government, ultimately managed to eliminate their European rivals and British rule came into being.

British rule in India lasted about 180 years and its effects – both good and bad – are of great significance in assessing India today. The whole country for the first time came under one central rule, though here it must be remembered that 526 Princely States nominally were autonomous. Secondly, the impact of English as a language exposed the country's substantial intelligentsia to the rejuvenating influence of European liberalism, new political, social and economic institutions, changing basic values and literary trends and finally modern science and technology. The effect of this new Western outlook on an ancient civilization produced much intellectual re-valuation which led to a renaissance of Indian thought. A new sense of nationalism was born while a growing attitude of critical self-analysis made educated people question many of the old traditions and practices that had seeped into society during periods of decadence. Social and religious reformers like Raja Mohan Roy, Aurobindo Ghosh and Dayanand Saraswati started to revitalize philosophy and religion. A new dynamism and a trend to modernity became visible everywhere. This period produced other great giants, men like Rabindranath Tagore in the field of letters, and botanists like J. C. Bose, both incidentally winners of the Nobel Prize. A new national movement, the Indian National Congress founded in 1885 by an Irishman, Allan Octavian Hume – and whose first President was my grandfather W. C. Bonnerjee – under a succession of leaders like Tilak, Gokhale, Mahatma Gandhi and the Nehrus, father and son, stirred the whole nation to a new sense of pride and a wish to win political independence.

Though autocratic in itself, another good effect of British rule was the attachment to democracy which it had engendered in the people of India. While the principle of democracy was not unknown to India, for even in ancient times the system of village councils functioned, the necessity for a parliamentary system became understood and even today, surrounded by despots and dictators, India is determined to maintain a democratic government. Four free elections, the largest in the world, based on adult suffrage and equal rights for women, have been held since independence. The principle of an independent judiciary, free of political or administrative pressures, is also a valuable legacy of the British rule.

While these were the positive results of British rule, there were also because of the colonial concept, the inevitable harmful effects. India was used as a dumping ground for British manufactured goods, the economy of the colony being developed only to supply raw materials needed by British industries. India was not allowed to benefit by the great industrial revolution of Europe. The result was that while the population continued to rise, the natural resources of India remained undeveloped and the Indian industrialist was strongly discouraged. Agricultural production fell because of a feudal land tenure system with a British-created absentee landlord or Zamindar acting as the middleman. There were 23 famines in India during the 180 years of British rule. Progress throughout the land was uneven, because the Princely States, who ruled half of it, varied from the medieval to the modern.

Finally British conservatism basically good in conception, prevented them from interfering in traditional, social and religious matters. This, in fact, gave strength to conservative elements among the Indians. Outmoded social customs and traditions which would have eroded in the normal process of evolution continued to exist. Whatever little social legislation like abolition of "satee" and the prevention of child marriages was enacted during the period, was due more to the powerful initiative of Indian intelligentsia in the face of British reluctance.

When India became free in 1947, the country inherited much of value but also great problems of social, economic and industrial backwardness. The first task which the national Government of India tackled after independence was the development of economic potential in order to raise desperately low standards of living. But development requires large capital outlay and technical know-how. In a country where the per capita income was les than $60 at independence, it is hard to raise enough capital. Also, India was faced with the need to bring about economic development at a pace much faster than the European powers of the 19th century. India had to plan her economic development to achieve the most effective and balanced utilization of the country's resources in the shortest time. Many friendly countries have come to India's aid with development capital and technical know-how and among them Canada qualitatively has given us the maximum help. During three Five-Year plans India has invested $43 billion in development projects, of this, 80% of the capital was raised from internal sources and only 20% comes from external aid which is mostly in the form of loans.

Indian economy has not yet reached the take-off state or the stage of self-generating growth while our standards of living are far from a satisfactory level. In making up the leeway of centuries, and competing with the problems of heredity and environment, undoubtedly many errors have been made. However, together with these errors one should not overlook our achievements during the last 17 years of planned development.

Since 1950, the economy of India has grown at a compound annual rate of 3.8%. Industrial output has increased by 150%; steel production has risen from 1.4 million to 6.6 million tons; installed electric power has been stepped up from 2.3 million to 10.1 million Kilowatts. Production of cotton cloth has gone up by 80%, sugar by 200%; production of machinery has gone up from $45 million-worth to $750 million; refined petroleum products have reached 11.3 million tons from virtually nothing. Over 100,000 small-scale industries have sprung up in all parts of India. The indigenous manufacture of railway wagons has gone up to 33,500 a year and today the Indian railways which are a nationalized concern, carry 5.8 million passengers and ½ million tons of freight each day. India is now exporting steam locomotives, passenger coaches, freight wagons and track material to East Africa, Hungary, Burma and Thailand. Strange though it may seem, we are exporting machine tools to West Germany, Czechoslovakia and the U.S.A., railway equipment to the U.K., U.S.A., Malaysia and Hungary; refrigerators to Hungary, heavy water to Belgium; telephone equipment to the Soviet Union, surgical goods to Canada; sugar mill machinery to Uganda and textile machinery to West Germany, the U.K., Kenya, Ethiopia and Nigeria.

Thirty per cent of India's population can read and write today which is double that obtaining in 1947. The number of children going to school has more than trebled to 72 million. At the university level, the number of students has gone up to 1.7 million from a mere 200,000 in 1947; the number of universities which was 16 in 1947, is now 70 and the number of affiliated colleges has increased from 533 to 2,373. As against 38 institutions in India, providing degree courses in engineering and technology with a total admission capacity of 3,000 students, today we have 118 degree institutions with an admission capacity of 21,000 a year. For diploma courses in various branches of engineering, there are 249 polytechnics with an annual admission capacity of 40,000.

In the field of public health, plague has been completely wiped out, malaria cases have dropped from 750 million to 500,000 cases per year; deaths from cholera and smallpox have come down to a tenth of what they used to be. As a result life expectancy has gone up from 32 to 50 years.

I do not want to tire your patience with a number of statistics but I believe some of them are necessary to give you some idea of the progress made in the last few years.

As a result of 20 years experience, there are two areas of the economy where we are now puttting in a maximum effort. One is in food production and the other in the control of population. Food production in India has actually gone up by 61.8% between 1950 and 1964 – from 54.9 million to 89 million tons – as a result of various multipurpose irrigation projects and the increased use of fertilizers and improved seeds. These projects and other irrigation works so far cover only 20% of the arable land leaving the remaining 80% dependent on the monsoon. In the last two years two consecutive failures of this monsoon have not only brought near starvation to millions of people in the areas affected but naturally have adversely affected the economy as a whole. Canada among several other friendly countries has generously come to our aid in this food crisis. Our new food policy, directed towards self-sufficiency by 1971, is based on four practical points. These are:

(1) The use of high-yielding varieties of seeds on an

increased acreage. Experiments have shown that the new variety of paddy would yield 7,000 to 8,000 lb. of rice per acre instead of the present 1,400 to 1,500 lb. The Mexican variety of wheat would also yield an eight-fold increase in crop.

(2) The increased use of fertilizers, pesticides, and improved implements and machinery. Our present need for fertilizers is 2 million tons although our production capacity at the moment is only 600,000 tons. We have been seeking foreign collaboration in setting up fertilizer factories and these efforts have met with considerable success.

(3) The emphasis on irrigation from large scale multipurpose projects to small irrigation schemes.

(4) The provision of easy credit to the cultivator through the creation of Agricultural Credit Cooperatives in all States.

These steps have already started showing results and in a very recent statement the Director General, FAO, was optimistic that India could fulfil her target of food self-sufficiency by 1971. This year, the monsoon has so far been good and we estimate the crop yield at 90 to 95 million tons which should almost meet our requirements.

We are well aware that an increase in food production by itself is not enough unless measures are taken to control the growth of population. India's population today stands at 495 million and it has been increasing at 2.4% a year. Thus the annual increase comes to 12 million. An increase in life expectancy of about 20 years has also added to the population crisis. A network of 22,000 family planning centres has been set up all over the country staffed by medical personnel whose services are free. During the last two years 2.2 million males have undergone Vascectomy. For women the intra-uterine contraceptive device popularly known as the "loop" has been found to be suitable to Indian conditions and a factory at Kanpur is making

30,000 loops a day. I have always said India's motto for the present should be "Loop before you leap". I might add that there is no religious prejudice in India against family planning. In addition to this, the pill and other contraceptives are also in use though on a smaller scale. Our goal is to bring down the birth rate from the present 41 per 1000 to 25 by 1976 and it looks from present indication the goal can be reached.

Finally, I would like to touch on the political aspect. In the last election 251 million voters freely exercised their franchise and the way they did it, I suggest shows a remarkable maturity. In 9 out of 17 provinces the ruling Congress Party was voted out of power but at the centre the voter kept the Congress as the only viable single party. The Congress was taught a lesson but stability at the Centre was not sacrificed. The voter in India has unfortunately a difficult choice. A clear-cut two or three party system as in the U.K. or in Canada has not yet evolved because of historical circumstances. The Congress before independence was, strictly speaking, a national movement for the sole purpose of winning independence. There could be little difference with this goal and people of all ideologies joined together for this purpose. After independence if the Congress, as suggested by Mahatma Gandhi, had dissolved itself, the formation of political parties based on clear-cut ideologies would have taken place. But Congress continued to function as a political party, though a few groups like the Communists and subsequently the Socialists separated out. The fact that leaders of the stature and mass appeal of Jawaharlal Nehru were at the head of Congress also made many people who did not completely agree with Congress policies remain with the party. After the last election, the process of ideological polarization seems to have started. A number of Congress dissidents have formed a front. The old Congress party no longer has the steam roller majority it enjoyed for many years both at the Centre and in the Provinces or, as we call them, States. A new relationship of mutual understanding is growing in the relations between the Central and State Governments but naturally there is a trend for greater autonomy on the part of States. I see exactly the same thing in Canada. These changes and expressions of will are in the very nature and spirit of democarcy: the effect is strengthening not weakening.

In the field of her external relations India has problems mainly with China and Pakistan. With Pakistan, our desire has always been to have friendliest relations. There are hardly two countries in the world that have more in common for we have shared a common history, culture, language and even religion. Every birth creates problems and a cesarean birth complicates these problems. Adjustment is bound to take time. I am quite sure that given time we shall have the friendliest relationships with Pakistan to our mutual benefit. This is one of the goals towards which I work both in my official and personal capacities.

China poses a more difficult problem. Despite our differences and active hostility on China's part, manifested in 1962 and again very recently, we are anxious to settle our differences in a civilized manner by discussion across a table. We still maintain an Embassy in Peking. Despite our efforts there is little response, perhaps because of the internal struggle. How, where and to whom does one talk?

There is one more important aspect of India's external relations. This is her faith in the Commonwealth. Consistent with the aspirations of the Indian people, India became a republic in 1950 and sought continued membership of the Commonwealth. This was accepted primarily due to the enlightened initiative of Canada. India has since then been a Republic within the Commonwealth accepting the Crown as head of the Commonwealth. This structural change, initiated by India, has made it possible for the other non-white countries of the old empire to join freely this great family Association, an association which cannot but do good. I might add that our relationships with Britain are today warmer and friendlier than they were in the years preceding independence. There are more branches of British banks and more British businessmen in our country today than there were in 1947 and many of the old links remain with British institutions, commercial concerns and expertise. Naturally, from time to time there are differences of opinion but none of these are over-serious and all of them are resolved within the framework of the Commonwealth.

I hope that this talk of mine has given you some aspects of my country, its successes, its failures and its aspirations. Despite our ancient history, as a free country we have only existed for 20 years. This is not a very long time. We have received much assistance in our efforts from our friends, particularly Canada; and in the 14 months I have been High Commissioner I know from personal experience how rich and understanding that friendship has been. I, like the majority of my fellow countrymen, am aware that the main burden lies not on our friends but on ourselves. I am convinced we shall succeed. If I was not, I wouldn't be standing here today.

Thanks of the meeting were expressed by John Irwin.

OCTOBER 18, 1967

Loyal Societies Dinner

IN HONOR OF Princess Alexandra

CHAIRMAN John Irwin,
President St. George's Society

MR. IRWIN:

Your Honour, Your Royal Highness, Reverend Sir, Your Excellencies, Mr. Prime Minister, Mr. Metropolitan Chairman, Your Worship, distinguished guests, ladies and gentlemen.

On behalf of all present at this historic dinner, may I respectfully extend to your Royal Highness and to your distinguished husband, the Honourable Angus Ogilvy, a warm, sincere, royal welcome. We are greatly honoured.

It is perhaps a rare occasion, when an Englishman is about, for an Irishman to abandon his shillelagh, for a Scot to leave his trusty claymore at home, or for a Welshman to forsake his longbow. It may be equally difficult for an Englishman to unzip his stiff upper lip, to forget his reserve, when any of those three are in his proximity. But unity of purpose comes easily when that purpose is good. We, who are assembled here tonight to welcome our beloved Princess, are really not Scots, Irish, Welsh, English nor wear any other overseas Commonwealth or Empire label. We are Canadians – Canadians who cherish our heritage.

Seated here tonight, your Royal Highness, are members of what we are proud to call the loyal societies. With over 11,000 members, we represent a broad section of the bustling life of Metropolitan Toronto, capital city of the province of Ontario. We are bound together in a tradition of unswerving loyalty to the Crown and deep affection for Her Gracious Majesty the Queen and all members of the Royal family.

We rejoice that your visit, not only as a British Princess but particularly as a Princess of Canada, to add lustre to British Week, has brought together so many members of these loyal societies. Some of these organizations have served our Sovereign, our city and our nation, in peace and in war, for well over a century. All of them will continue to uphold the dignity of the Crown and strengthen the ties with the Old Country, while building a greater and prosperous Canada as the nation enters its second century of Confederation. We thank you, your Royal Highness, for giving the Loyal Societies this heart-warming opportunity to pay this tribute in our Canadian manner.

REMARKS BY
DOUGLAS M. GOWDY

MR. GOWDY:

Mr. Chairman, Your Honour, Your Royal Highness, Reverend Sir, Mr. Prime Minister, Your Excellencies, distinguished guests, ladies and gentlemen.

The slogan – "Britain Sends Canada All The Best" becomes enriched and vital on an important occasion such as this.

It is a heart-warming tribute to Canada and Canadians in our Centennial Year.

But to members of the Loyal Societies represented here tonight, the message reminds us of the warmth and friendliness we attach to the visits of the Royal Family to this country.

It is a very great honour to have Your Royal Highness and your husband, The Hon. Angus Ogilvy with us on this occasion. Since 1954, when you made your first official tour of Canada, you have had several opportunities to gain first-hand impressions of the beauty and diversity of our wonderful country. In every case, your visits have been received with warmth and enthusiasm.

All of us in this Canadian Room are aware of the great interest shown by you and your husband in many philanthropic activities. We know that you have a deep and abiding empathy for the aims and objectives of the Loyal Societies present here tonight in your honour.

"Britain Sends Canada All The Best" – reminds us also of the importance of our trade with Britain. We wish every success to this intensified effort to boost sales during British Week in Toronto. The chief highlight of this exciting programme is your four-day visit to Toronto. We are delighted to share this hour with you.

The Loyal Societies and other organizations sharing similar aims in this city welcome Your Royal Highness most heartily. We hope that you and your husband will remember this visit as happy, rewarding and memorable. We extend to you our loyal good wishes and affection.

THE LOYAL SOCIETIES TOAST TO CANADA

by Col. B. J. Legge, Q.C., E.D.

COL. LEGGE:

When the incomparable Benjamin Disraeli was dying he retained his wit and intellect to the very end. On his deathbed it was suggested to him that he might like to be visited by the Sovereign, Queen Victoria, who had always been his friend. Disraeli protested: "No, it is better not to distress Her Majesty", and then smiling said, "Besides, she would only ask me to take a message to Albert."

So are the misconceptions about the loyal societies. They are sometimes dismissed as irrelevant as trying to deliver a message to a departed and beloved Prince Consort. But the loyal societies dining with Your Royal Highness this evening are not vague tribal anomalies from the historic past. They are lively Canadian groups devoted to Canada in the modern world of spacecraft landing on Venus.

There is a marvellous story of a famous American politician who was driving around Massachusetts. At a fork in the road he became uncertain of his directions and called over to a farmer in the field: "Does it make any difference which road I take to Boston?" The Old Yankee replied: "Nope, not to me it don't."

It does make a difference to the loyal societies what road Canada takes. Our societies are not the homes of lost causes and forsaken beliefs and unspoken names and impossible loyalties. We have our inheritance, we honour the past and we believe in our country. In Canada we are French and English and Irish and Welsh and Scottish and every race under the sun.

Sir Wilfrid Laurier saw Canada as "The brighest gem in the Crown of the British Empire". He was a "Canadien" trained in the law at English-speaking McGill and a disciple of Britain's Liberal Prime Minister Gladstone. Only he could sum it up in one famous question about Louis Papineau, the Quebec revolutionary of 1837: "Is there a man among us who forgets that when Papineau was struggling for the rights of his race, his principal advocates were John Nelson, the Scotsman and O'Callaghan, the Irishman?"

This will certainly please St. Andrew and St. Patrick and perhaps not displease St. Jean Baptiste.

Canada is political and religious freedom.

In the ancient psalm of David, an even greater truth of awareness is proclaimed:

"If I forget thee, O Jerusalem,
Let my right hand forget her cunning.
Let my tongue cleave to the roof of my mouth,
If I remember thee not;
If I set not Jerusalem
Above my chiefest joy."

In history, Jerusalem is the Holy City of God. In the future, Jerusalem is the poetic city of hope. In Canada we have so rich a heritage to regard and so high a hope to work for that our country should be our greatest treasure.

In 1860, seven years before Canada was born, Princess Alexandra's Regiment, The Queen's Own Rifles, was created. By the time The Empire Club was formed as Canada's elite forum in 1803, members of The Queen's Own Rifles had taken part in the Fenian Raids, the Boer War, and the Northwest Rebellion under Colonel Otter, the first President of the Royal Canadian Military Institute. Their tradition of gallantry is typical of the Canadian Forces with their battle honours, with their thousands of dead in two world wars, and their countless awards for bravery. All of these attest to Canada's place in the halls of freedom.

But Canada and her loyal societies are more than freedom and fighting. Our Lady of the Snows, this beloved nation we call home, has always been of the pattern of the Commonwealth. Seven hundred and fifty years ago Magna Carta gave civil liberties to all His Majesty's subjects. Canadians did not have to fight to obtain them. They came to us as our birthright.

The Commonwealth is the surivival of free men. It is the Colombo Plan, trial by jury, freedom of the press and the Bill of Rights.

Canada is of the Commonwealth, replete with historical splendours and the wisdom of the ages, changing with the experiences of the Mother of Parliaments and of our Canadian Governments. The Royal Commonwealth Society, The Overseas League and all nine loyal societies speak and practise the virtues of the Commonwealth in Canada.

Canada is the Monarchy. Indeed, a very wise Canadian, the Right Honourable Vincent Massey, considers that: "The Monarchy is so essential to us that without it as a bastion of Canadian nationality, of Canadian purpose and of Canadian independence, we could not remain a Sovereign State." Our proudest boast should be that Canada is the only Monarchy in the Americas. Furthermore, although Canada has two languages, the English-Speaking Union will certainly not dispute that the lingua franca of the Commonwealth has always been the English tongue – or as Daniel Dafoe described it: "Your Roman-Saxon-Danish-Norman-English tongue." To all of which must be added the vast American influences with their many accents and dialects. Indeed, the great President Kennedy is said to have taken the "R" out of "Ha(r)va(r)d" and added it to "Cuber".

Those who adhere to St. David will relish the wit of the silver-tongued Welsh-Canadian, Leonard Brockington, who said that the English on St. George's Day begin by claiming modesty and then, with typical English logic, go on to claim all the other virtues as well.

As a Canadian who delights in his country I claim for Canada many virtues, a noble history, splendid peoples, and a high place among all nations.

If you bring before your mind's eye your greatest personal joy in Canada, you will see the quiet farms, the exciting, compulsive cities, your family church, your parents' sacrifices, the expectations you have for your children, the one-roomed school, your university, the Stanley Cup or the Grey Cup, "Anne of Green Gables", Professor McLuchan, Sir John A. Macdonald, The Sick Children's Hospital, the kilts, the pipes and the drums of all the

Scottish Regiments, the Rocky Mountains, the fairy islands of EXPO '67, the bright leaves of autumn, the winter's sun on snow, the blue lakes of Muskoka, the subways, the GO trains, the Macdonald-Cartier Freeway, the whine of jet aircraft, the tough, calm policeman who took charge at your accident, the family doctor who visited you in the night, the faithful priest who helped you in trouble, the lawyer who fought your battles, the Member of Parliament who took up your grievance without knowing what side you were on, and the fine carpenter who built your steps so beautifully.

This rich, strident young land is all these things and a million more. Remember our country in the way the diverse past is reflected in the simple motto of General Vanier's Royal 22nd Regiment – "Je me souviens" – I remember.

Canada is not just the Canada of today. Canada is the traditions from which we came. Canada is history and Canada is a brilliant future.

Canada is "the gracious, gleaming figure" of Her Majesty Queen Elizabeth the Second, the First Lady of the Commonwealth, and above all, the beloved Queen of Canada.

Your Royal Highness, Your Honour, Ladies and Gentlemen, on this superb occasion I ask you to celebrate the one hundredth birthday of our own country and I ask you to drink with me The Loyal Societies Toast to "Canada".

Thanks of this meeting were expressed by Graham Gore, President, The Empire Club.

OCTOBER 19, 1967

Ulster's Place In Britain Today

AN ADDRESS BY Capt. The Rt. Hon. Terence O'Neill
PRIME MINISTER OF NORTHERN IRELAND

The Economic Future Of Great Britain

AN ADDRESS BY The Hon. Angus Ogilvy

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

Our next speaker during British Week also comes from overseas. More specifically he represents a land of green glens, solid cities, and warm-hearted people – a sea-washed domain whose praises are still sung by Canadian servicemen who had the good fortune to sojourn there during the Second World War. I refer, of course, to the Commonwealth country of Northern Ireland, composed of the six counties of Antrim, Down, Armagh, Tyrone, Fermanagh, and Derry.

Of these six parts of the political entity of Northern Ireland, the County of Antrim is, as we shall see, particularly relevant to the career of our speaker. Besides its pastoral beauty, Antrim boasts prosperous farming, linen, and ship-building industries – and is the home of world-famous Old Bushmills Whiskey. Arts, politics, and commerce, in the New World and the Old, have been enriched by people of Antrim blood. On Antrim's coast is located one of the seven wonders of the world, the Giant's Causeway. Stories are told of the guides at the causeway which embody the Northern Irishman's twinkling sense of humour. A guide might tell you, for example, that there are exactly 35,996 columns in the causeway. If you ask him how he can be sure of that, he may say: "Ah sure, there was precisely 36,000 of them in it when I was a boy, but a rich American gentleman bought four of them since; and I wouldn't need to be much of a scholar to know what's left now."

And now I would like to tell you something about the man who has been the Prime Minister of Northern Ireland since March 1963.

He was born September 10, 1914, the son of Captain The Hon. Arthur O'Neill and grandson of the Second Baron, Lord O'Neill. He is heir presumptive of the 4th Baron, was educated at Eton, and served with the Irish Guards during the Second World War. Both his brothers were killed in action; he himself was wounded while serving with the Guards Armoured Division in the Netherlands.

Captain O'Neill can trace his ancestry to the ancient princes of Tyrone and Niall the Great, monarch of Ireland in the 4th century. His more immediate forbears have represented County Antrim at Westminster. His father was the first M.P. to fall in the First World War. His uncle, now Lord Rathcavan, became Father of the House of Commons with 37 years of continuous service and also served in Northern Ireland as Member of Parliament and as Speaker. His cousin, The Hon. Sir Con O'Neill, is at present British Ambassador to the Common Market in Brussels.

His political life started immediately after the war. He has been Member of Parliament for Bannside, County

Antrim, since 1946, and a Privy Councillor of Northern Ireland since 1956. Prior to assuming his present honoured office, he held a number of important portfolios in the Government of Northern Ireland. He is married and has a son and a daughter.

Gentlemen, It is my pleasure to present to you a courageous soldier, a distinguished parliamentarian, and a leader in the Commonwealth – Captain The Rt. Hon. Terence O'Neill, Prime Minister of Northern Ireland.

CAPTAIN O'NEILL:

In this Centenary Year of Canada's Confederation, statesmen from many countries have been visiting Canada. One of the kings of England died of a "surfeit of lampreys", and there have perhaps been times this year when you have felt the pangs of a surfeit of State visits.

But I crave the indulgence of a special friend visiting friends. Since 1959 it has been my privilege to visit Canada on a number of occasions, and to get to know many of the public personalities of Ottawa and the provinces. Having met him during his Governor-Generalship, I know what a loss the nation suffered by the death of General Vanier – that fine, honest, upright and dignified soldier, a great and patriotic Canadian.

Very many of Northern Ireland's sons have found a new life on this side of the Atlantic. It is sad for any country that those who seek success in distant places tend to include some of its most vigorous and enterprising people. Yet I cannot bring myself to regret the process which has created around the world nations with a common dedication to freedom. Our aim in Northern Ireland must be to bring about the conditions in which no one is obliged to leave his homeland because of lack of opportunity. But I would never seek to discourage any individual from working out his own personal destiny wherever it may lead him. These movements of people have enriched us all. In Northern Ireland our great linen industry received its critical impetus from the emigration of French Huguenots. Sometimes a transplanted flower blooms with renewed vigour in a different soil.

It is not, I think, generally known either in Ulster or in Canada that Ulstermen, over a period of three centuries, played a prominent part in exploration of the North-West Passage. Henry Kelsey, who explored the Hudson Bay area in the last two decades of the 17th century, Arthur Dobbs in the 18th century, and Captain Crozier of Sir John Franklin's expedition in the 19th – all of these were Ulstermen. I might add in parenthesis that one of the greatest adventurers of the 20th century, Sir Francis Chichester, also has interesting family connections with Northern Ireland. From that same Devonshire family came, in the reign of King James I, Sir Arthur Chichester, founder of our own capital city of Belfast and an ancestor of my own.

Ulster has also given to Canada Lords Dufferin and Alexander, Governors-General, a Prime Minister (Meighen), numerous prominent politicians at Federal and Provincial levels, and the world of commerce the founders of the famous T. Eaton Company. Timothy Eaton was born at Portglenone, in my own "Riding", in 1834, and the family have been most generous to the area of their origin. Before emigrating Eaton set up shop in Ballymena and to this day the links between Ballymena and Toronto are very strong. I believe one Eaton called his house "Ballymena".

These, however, are merely a few of the countless thousands of Ulster people who have come, and continue to come to Canada, and particularly to Toronto. I can truthfully say that there is nowhere in the world where I feel more immediately at home. You may be amused to hear, indeed, that in London the Ulsterman, when speaking in his local accent, is very often taken for a Canadian.

Now of course I am extremely happy that many of these emigrants to Canada retain happy recollections of the land of their origin, and I enjoy meeting – both here and in the United States – the various Ulster-Irish or Scotch-Irish societies which exist to strengthen these ties. But at the same time I always make it clear that, in my view, the emigrant's first love and loyalty must unquestionably be to the nation with whose fortunes he has linked himself. I want the Ulster people in Canada to be first and foremost good Canadians. Indeed, the best service which they can perform to their kin-folk on the other side of the Atlantic is to show what responsible, productive and loyal citizens they can be. The position of a man coming to a new country is like that of the bridegroom who leaves the family home on marriage. He will, one hopes, never cease to love and respect his parents, but henceforth his primary responsibility must be to his partner. And so, if an Ulsterman can make a good Canadian, I consider that is as good a way as any of showing his solid Ulster virtues.

As I said at the beginning of my remarks, Northern Ireland's status within the United Kingdom is unique. From the beginning of the 19th century until 1920 Britain operated – at any rate in the parliamentary sense – a completely unitary form of government. There were, of course, Irish members of the executive – the Lord Lieutenant and the Chief Secretary for Ireland – but they were responsible to Parliament in London. A Scottish Office was not created until 1885 – again with its Ministerial Chief responsible to Westminster – and the first Secretary of State for Wales was appointed as recently as October 1964. Although today there are extensive administrative offices in Edinburgh and rather more modest ones in Cardiff, only in Belfast is there a separate Parliament for a component part of the United Kingdom.

What is so extraordinary is that, while many Scots and Welshmen have been avid supporters of the idea of local Parliaments for a long time, Northern Ireland actually obtained one as a result of saying very firmly that it wanted nothing of the kind. That may seem a paradox of peculiar "Irishness". But what happened was that, while people in the rest of Ireland pressed for devolution, the majority of people in Ulster simply wanted to go on being represented at Westminster as they had been for over 100 years. So, in one of those compromises which governments make when they are being ground between the upper and the nether millstone, the British Government of the day said – "Very well, we shall give two Parliaments to Ireland: to the South which wants one, and the North which does not. And we shall also continue to take representatives at Westminster from the North which wants to send them, and from the South which does not." Very, very reluctantly, and lest a worse fate should befall it, Northern Ireland accepted this settlement. Yet today Northern Ireland which did not want a Provincial Parliament has still got it and is determined to preserve it, while the South, which originally wanted a Provincial Parliament within the United Kingdom, first left the U.K. and then the Commonwealth.

So, by one of those historical ironies which make life so interesting, that unloved and unwanted orphan child, the Northern Ireland Parliament at Stormont, has grown into mature and vigorous manhood, and is seen today by most of our people as a great advantage in securing good government. Regional or provincial government can have a responsiveness to local conditions, an informality and an ease of access which win their own rewards.

May I give an example of what I mean? The subject of industrial investment is, I always find, one of absorbing not to say controversial interest here in Canada. It is also of great importance to us in Northern Ireland, because we have a rapidly growing population and badly need industrial diversification to counter the effects of structural change in some of our basic industries. In attracting new industry, mainly from Great Britain, but also from North

America and continental Europe, many factors are of importance: the availability of trained labour, easy access to profitable markets, well-designed schemes of financial incentives and so forth. But I would place very high on the list of such factors the ability to take our own decisions rapidly and decisively, which – as a Provincial government within the United Kingdom – we are able to do. Businessmen at all times have direct and easy access to Ministers, and when I was Minister of Finance I was willing – if need be – to clear multi-million dollar schemes by a telephone call. I find that industry, not least from North America, appreciates this kind of decisiveness.

What is so interesting is that recent years have seen a marked growth in Britain of what is known as "regionalism". This tended to originate with the determination of areas which had problems – particularly of unemployment – to seek their own solutions. So various Councils, backed by private industry, local municipalities and so forth, came into being as "boosters" for their respective Regions. This process has now been taken a significant step further. Great Britain has been divided up by the Government in London into a number of "planning Regions". This includes not just the great historic entities of the United Kingdom – such as Scotland or Wales, which because of their history have a high degree of distinctiveness and self-awareness – but areas of England which have not been distinctive governmental entities since the days of the Anglo-Saxon kings. In each of these Regions tnere is today an Economic Planning Council, very widely based, with representatives of local government authorities, of industry, of trades unions, of universities in the region and so on. These Councils are, at the moment, advisory bodies, and side by side with them each Region has a planning Board, consisting of the principal representatives in the Region of all the organs of central government which have a hand in its physical and economic development.

What is important, I think, is that local powers and local options should be exercised in the interests of the nation as a whole. We hope to use our local powers to make our economy stronger and more productive, not just out of selfish local interest, but to serve better the cause of Britain. For while we value our powers of local autonomy, we do not imagine that it would be feasible for us to play a worthwhile role in a wider scheme of things other than as a part of Britain.

The saddest day of Ulster's history was 1st July, 1916, when the Ulster Division went over the top at the Battle of the Somme, and in heroic action suffered terrible losses. Their comrades from Canada and Newfoundland shed their blood over these same costly acres of ground. But was that not a proud day as well as a sad one? It showed that there were men in our own green island, and here across the broad Atlantic, who recognized a call to something greater than a purely local cause. To the farmer in the furrows of County Antrim or in the fertile fields of Canada, the quarrels of the European powers must have seemed at times a very remote thing. Yet they sensed that freedom around the world is indivisible and worth fighting for. They knew that the closest and most cherished things – family, friends, the small area one recognizes as home – can in the last resort only be protected by a willingness to serve wider causes and greater alliances.

Many men, many races have striven to make Canada what it is today, a hundred years after its foundation. Your successes as a nation have been achieved by their sacrifices. And this, I think, is indisputable: that Canada stands in high esteem around the world for its responsible, moderate, peace-making approach to international affairs. Many times Canada has striven, often with great success, to play the role of "honest broker" in difficult circumstances. To play such a part often earns, in an old saying "more kicks than ha'pence". But if all the nations had acted as unselfishly as Canada, and with as true a regard for the welfare of the whole human famly, many of our current problems would not exist.

And so, on behalf of one of the streams which has flowed into the broad, strong flood of Canadian nationhood, I bring you a message of friendship and brotherhood from Northern Ireland. On Canada's hundredth birthday, it is my privilege to express the wish that she may have many, many happy returns!

MR. GORE:

Judging from items in our newspapers, displays in our stores, and the sparkle of recent special occasions, British Week has created quite a stir in the City of Toronto. One of the most sparkling of these occasions was last night's Loyal Societies Dinner for Her Royal Highness, Princess Alexandra.

Today in the spirit of British Week, it is our privilege to welcome as a special guest the husband of Princess Alexandra – The Honourable Angus Ogilvy. The second son of The 12th Earl of Airlie, he was educated in Eton and Oxford and commissioned in the Scots Guards where he is now on the reserve of officers. He is also a member of the Royal Company of Archers, which is the Queen's Body Guard for Scotland.

His family is an ancient Scottish one whose records go back to the 12th century and whose members have participated in stirring chapters of British history. The First Earl of Airlie, for example, fought for King Charles I in the Civil War. In 1640 he had his castle sacked by the force of the Marquess of Argyll – an event commemorated in the ballad "The Bonnie House of Airlie".

Mr. Ogilvy is a Director of the 117 Group of Investment Trusts in the City of London and represents the Group – as chairman, managing director or director – on the Boards of a number of associated companies. He is also on the Board of the Guardian Assurance Company and the Canadian Imperial Bank of Commerce, as well as many other corporations, including Wembley Stadium.

Yesterday noon, at a luncheon given by *The Committee for Exports to Canada*, Sir Peter Allen, whom we welcome at this Head Table today, spoke of Mr. Ogilvy by saying (and I quote), "He is a damn good guy".

With that remark I heartily agree and without additional remarks which might have a tendency to detract from the true meaning of Sir Peter's statement, I present to you, Captain the Honourable Angus Ogilvy, who will speak with you.

MR. OGILVY:

When I had the great pleasure and honour of being invited to address this distinguished gathering this afternoon, I was asked if I would say a few words about "The economic future of Britain".

Now, Gentlemen, Britain is faced, as you all know only too well, with some very considerable problems. They are plain for all to see, and I for one would not be so foolish as to try and sweep them under the carpet and pretend to you, Gentlemen, that they do not exist.

The important question, however, is not whether the problems exist. It is whether or not Britain can surmount them in this increasingly competitive world? To this my answer is emphatically yes.

I say yes, not because I have been told to by the British Government (although I am bound to admit I don't think they would be frightfully pleased if I said no); I say yes because I am a businessman, and I suggest to you that if you do look at the facts our economy is fundamentally far sounder than many people are prepared to give us credit for.

I know we pretend to be a race of gloriously inefficient amateurs, but underneath this superficial facade, which is essentially part of the British character, a silent but major revolution has in fact taken place in Britain during the last few years and this is my reason for being optimistic about the future in the long run.

The changes that have been brought about may have been slow and to the outsider almost imperceptible, but they are nonetheless fundamental.

Take our class system for example. It is still a force mitigating against economic efficiency – but it is no longer anything like as powerful a factor as it used to be. Today most of the heads of British businesses are self-made men.

Or take our educational system. A generation or so ago, there is no doubt, our public schools were geared to turning out people more for the liberal professions than for business or technology. But today, with the changes in their curriculum and with the immense and continuing improvement in State education, what comes out of the schools is a very different product to what came out, say, 20 years ago.

Or look at the field of business management. The average standard of management in Britain today is considerably higher than it was a few years ago, although I am the first to admit there is still plenty of room for improvement.

Mind you, one of the best things that has ever happened to British industry is the odd invasion that seems to take place from time to time from various Canadian tycoons like Garfield Weston, the late Lord Beaverbrook and Roy Thomson.

Now take Beaverbrook and Thomson as an example. Between them they managed to turn our newspaper industry completely upside down.

Is it any the worse for it?

I don't think so. On the contrary, I think it has gained immeasurably.

I am not pretending, however, that when it first happened it wasn't resented immensely. It was.

But the quiet revolution, which I suggest to you

Gentlemen is slowly transforming the British economy, is not merely confined to the field of management. It applies also to the all-important field of exports.

At last, perhaps a little late in the day, we have tumbled to the fact that if we are going to survive, we must pay more attention to exports.

Now, no doubt all of you here have heard a lot about Britain's Balance of Payments difficulties, and make no mistake about it, they are very real, but I do think it is important to get them into perspective. If you take the 1966 figures as an example, which are the latest figures we have for a full year, if only we had been able to reduce our imports on the one hand and increase our exports on the other by a mere one per cent, our visible trade would in fact have been in balance.

The "margin of error", if I can put it that way, is not all that great, particularly if you bear in mind our record over the last six years. During this time we have managed to increase our exports by more than 40 per cent.

I think you will agree – that as amateurs at the game which is what many people regard us, we are not doing as badly as some people would like to make out!

But it will be obvious to you, Gentlemen, that rather than tighten our belts and decrease our imports, we would infinitely prefer, if it is possible, to increase our exports, and this is what we are trying to do now and is one of my reasons for being here today.

We believe that it is in our mutual interests to build up as much trade as is possible between our two countries. For to put it at its crudest we can only afford to buy more from you if the rest of the world – and this includes Canada – buy more from us.

British exporters are not asking for any special favours. We still produce some of the best quality goods in the world, and this philosophy of maintaining the standard of quality and integrity, at all costs, is still true of many industries in Britain today.

If only our salesmen can persuade people of the truth of this, and I have no doubt at all that they can, not only in Canada, but all over the world, then the economic outlook of Britain will be transformed overnight.

I would like, if I may, to leave you with one parting thought. You Gentlemen have an expression here known as "B" and "B". So incidentally have we. But at home it has a rather different interpretation.

It sums up, Mr. President, in three simple words, everything I have come here to tell you today. "B" and "B", as far as we are concerned, means this – "Bank on Britain".

Thanks of the meeting were expressed by E. A. Royce.

OCTOBER 30, 1967

The Modern Commonwealth

AN ADDRESS BY His Grace The Duke of Devonshire

CHAIRMAN Montague Larkin,
CHAIRMAN, ROYAL COMMONWEALTH SOCIETY, TORONTO BRANCH

JOINT MEETING THE CANADIAN CLUB OF TORONTO
ROYAL COMMONWEALTH SOCIETY
THE EMPIRE CLUB OF CANADA

MR. LARKIN:

The members of the Royal Commonwealth Society are delighted to be able to join with those of the Canadian Club and Empire Club for this important occasion.

The Royel Commonweath Society, formerly known as the Royal Empire Society and prior to that the Royal Colonial Institute, has adapted its name and its functions to the concept of the Modern Commonwealth.

One who, by his leadership, is contributing to this development, is our guest today His Grace The Duke of Devonshire.

Andrew Robert Buxton Cavendish, P.C., M.C., 11th Duke of Devonshire is the youngest Chairman of Council to be appointed by the Society and is a member of a family which is part of the fabric of English history.

One of the earliest of his illustrious ancestors who was Lord Mayor of London is believed to have slain Wat Tyler, who has been described as the first English Socialist.

I suppose one can debate whether this was a good act or not – it was at least an act of historical significance. The Devonshires still battle Socialists though now by more subtle and spiritual means.

The Duke's estate at Chatsworth is celebrated for its beautiful gardens which are open to the public for a modest fee – more modest than that at Woburn Abbey. In the house hangs one of the most valuable collections of paintings in private hands.

The Duke of Devonshire is 47 and is, at that tender age, a happy grandfather. According to a *Life* magazine survey Dukes are, on the average, less handsome than film stars, more intelligent than European royalty, longer lived than mandarins, poorer than maharajas, less fertile than sultans, more monogamous than American businessmen.

It is invidious of course to use such averages and what we do know is that our guest is representative of the best tradition of British aristocracy. He is a man of wide interests and completely devoted to public service. As far as his political career is concerned it started when he participated in the 1945 and 1950 general elections. He is the one best qualified to describe his feelings about those campaigns. He now serves from the more detached plateau of the House of Lords. In 1960 the Duke was appointed Parliamentary Secretary of State for Commonwealth Relations and was Minister of State in the Commonwealth Relations Office from 1962 to 1964, during which period he visited Canada and many other Commonwealth Countries.

He is a Steward of the Jockey Club and is a keen and successful horse owner. I know that he looking forward to spending some time this afternoon with Brigadier Clarence McKee at Greenwood and it is characteristic of his modesty that he wants to learn how we do things in racing in Ontario – I should have thought that this is one of the areas in which the British are already undoubted experts.

His Grace serves as President of the Federation of the Commonwealth Chambers of Commerce and is Chancellor of Manchester University.

It is not just because the Toronto Branch of the Royal Commonwealth Society appointed me, an Irishman, from the green part of Ireland, its Chairman that I believe the Modern Commonwealth is a truly remarkable organization.

There are few better qualified to describe what the Modern Commonwealth means than our guest of honour. So it is my pleasure and honour to introduce him to you –

Gentlemen – His Grace The Duke of Devonshire.

HIS GRACE THE DUKE OF DEVONSHIRE: Mr. President, Mr. Larkin, and Gentlemen.

Thank you very much indeed, Mr. Larkin, for those extremely kind words of introduction. I must say in listening to what you had to say about me I would not have recognized myself. I must be quite frank; it seemed to be someone far more distinguished than I certainly am. Anyway it made very nice listening and I am extremely grateful to you.

And I am extremely grateful, Mr. President, to the Canadian Club and the Empire Club as well as the Royal Commonwealth Society for the very signal honour you do me in inviting me to be your guest here this afternoon and have the great privilege of addressing you.

It is particularly happy for me to be in Toronto for the first time during Canada's Centennial Year, an occasion which has caused great celebrations through the Commonwealth. It is also particularly satisfactory to me because it is my first visit as Chairman of the Central Council of the Royal Commonwealth Society – my first visit to a Commonwealth country.

Now I am extremely diffident at addressing such a distinguished audience, and particularly as many of you are so actively concerned in business and I am very ill-qualified to talk about trade and industry.

It was put to me in London that on this particular occasion in view of the calibre of my audience that I should say something about trade. Well, this filled me with gloom because I know very little of anything about it. And I was very conscious that you would all be great experts.

However, I did do some homework. I read a number of articles about Anglo-Canadian trade, and particularly I read two papers by two distinguished economists about the effect of the Kennedy Round on Anglo-Canadian trade.

Having been a Minister for some time I have learned the trick of not wasting time thumbing through the paper but to read the conclusion, of course. So this I duly did.

In the first paper I read the distinguished economist came to prove in no uncertain terms that as a result of the Kennedy Round there would be substantial benefit to Canada in her trade with Britain. So that was the first paper.

I then read the second paper, and the conclusion paragraph read as follows – and I can say, Gentlemen, that this distinguished economist said: "I can say without fear of confrontation there will be no benefit whatsoever to Canada in her trade with Britain as a result of the Kennedy Round."

So after that I thought perhaps I had better skip it.

I then, however, discovered that no less a distinguished man than our President of the Board of Trade was to address this Club only a fortnight before I did. So I felt that clearly exonerated me from any talking about trade, as he more than covered the ground.

I would, however, just say this about business, because I am in business. I am in the stately-home business. And very profitable it is, too. But I did learn something this summer: that one should never be sure of the reaction of one's customers.

One Sunday I was going round mingling with the people going round the house to try and test what I think is called "consumer reaction". I came across two young men gazing at a picture by a very great artist. The picture shows Samson and Delilah, the famous scene when Delilah cuts Samson's hair. And Delilah is clad, it is true, in what used to be called a dress with a plunging neckline – very plunging. It is also true to say that (and I must spare the ladies) that Samson's right hand is in a – well, shall we say – somewhat equivocal position.

Anyway there is this great picture, this famous old master. And these two young men gazed and gazed at this picture. I was looking forward to hearing them say, "Oh, well, it has most marvellous composition and marvellous flesh tints" and "Look at the background; how beautifully painted the sky is."

But not at all. After a long, pregnant silence one turned to the other and said, "Yes, I suppose that is the best way of having one's hair cut."

So, as I said, far be it from me, a very humble businessman, to offer you any advice. But I certainly learned something from that conversation!

Now, before I turn to my subject I must amplify something that Mr. Larkin said – and I must thank him not only for what he said but for what he did not say. He made a very brief reference to the fact that I sat for Parliament. And he had the courtesy and good manners not to go any further. But I would not like you to think there was anything dishonourable about my short-lived political career. I will tell you exactly what happened.

I did stand for Parliament in 1945 as a Tory. And, not very surprisingly, I was unable to get a very good seat. And, as some of you may remember, the 1945 election was not a good one for the Tories.

But, even so, when the poll was declared I was not exactly in a tearing hurry to dash off to the post office to send a telegram to my nearest and dearest, saying, "Marvellous result; only beaten by 12,000 votes."

This was the beginning of my political career.

Five years later, having tried – perhaps not very surprisingly, but having tried in vain – to get a better seat, I stood for the same seat. And, again as some of you may remember, I think, the Conservatives did not win the 1950 election, but there was a tremendous swing to the right everywhere – in London, the West Country, in the Home Counties, in East Anglia, in Wales, in the Midlands, in Lancashire and Yorkshire, the border counties, and Scotland; everywhere. The whole country swung strongly to the right. Except in my constituency.

On this occasion when the result of the poll was made known I was beaten by 17,000 votes.

After which it was not altogether surprising that I retired to that peaceful haven, the House of Lords; and pleasantly refused to renounce my title when given the opportunity.

So, I say, that was the beginning and the end of my political career.

Mr. President, I have the privilege of talking to you this afternoon for a short while about the "Modern Commonwealth". And I am deeply appreciative of having such a distinguished audience to talk about a subject which is, I think, of great importance both to Canada, certainly to Britain, and indeed to the world.

And I am very pleased to be talking to a Canadian audience, because I know that you in Canada, like nearly everybody in Britain, takes a forward-looking view of the modern Commonwealth. Because there are certain tendencies in certain countries (which shall be nameless) to hanker after the past, to look back, to hanker after the days before the last war when the independent Commonwealth was a group of five nations, primarily of European stock, all enjoying a high standard of living – as I say, it was a small, closely knit group of countries – to the days when the independent Commonwealth consisted of the Dominion countries.

Well, I am not saying that those days were not admirable in their way. But they are in the past, just as the British Empire is in the past. And even if we wished, you cannot turn the clock back.

But I – and I know people in Canada feel the same – do not wish to turn the clock back.

The present Commonwealth, if it is one thing it is multi-racial. And if it is not multi-racial, it is nothing. And if the concept of a multi-racial Commonwealth is not accepted, then the Commonwealth will wither away. Of that you can be absolutely certain.

The Commonwealth has, of course, changed – changed beyond recognition – in the last 20 years. At the end of the war it still consisted just of the five old Dominion countries. By 1960 it had progressed to eleven countries including countries from Africa and Asia.

Today it consists of 26 countries and it is a complete cross-section of the whole world.

It contains rich countries and poor countries. It contains vast countries such as India and tiny countries such as Malta. The whole spectrum of the globe is covered by the Commonwealth. Physically it contains a quarter of the world's population. And it occupies a quarter of the world's land surface.

So the Commonwealth's problems are the world's problems. And the last thing I would wish you to think this afternoon, Gentlemen, is that all is well; everything in the Commonwealth garden is rosy. That is far from the case.

But the problems that do arise, are arising, and will be with us for some time to come, are, I think, very largely due to this astonishing growth that has taken place in the past 18 years.

To use a homely phrase, we are suffering from growing pains. We need time to digest the vast changes that have taken place. We need time to assimilate this great wave of nationalism that has been the great feature of history since the last World War.

But I am convinced that every right-thinking man and woman should do all he can to foster this ideal of a Commonwealth. Because this is something new.

Ever since the beginnings of history there have been empires; countless empires. Empires have come and gone. But never before has there been a Commonwealth. This is something totally new, this idea of a free association of sovereign peoples.

It is a free association not so much of like-minded people but of unlike-minded people; people who have totally different backgrounds, totally different problems, and totally different standards of living.

So I say that we are building for the future. In any of our lifetimes 18 years – which is the length of time the modern Commonwealth has been in existence – is a very considerable slice. But in historical terms – and we must think in historical terms in this new concept – it is but a moment of time. It is literally a mere, very short phase. And in thinking of the modern Commonwealth and its future we must be building not so much for the next ten years but for the next fifty and indeed for the next hundred years.

To my mind the great road that the Commonwealth has to pave in the future is that it can play a really substantial part in what I regard as the great challenge of the second half of the 20th century. And that is to bridge the hideous economic gap that exists between the wealthy "have" countries, such as Canada, Britain, the United States, and the desperate, appalling poverty of the developing countries of Africa and Asia.

With modern communications the world may be a very small place today. But it is certainly not one world. It is two worlds. It is the "haves" and the "have-nots".

Just to give you one example, what is paid in Britain in national assistance – that is, what is given by the State to destitute families to live on; what is considered the absolute bare minimum that a family, a man or woman can live upon – is wealth; wealth beyond the dreams of avarice to countless millions of Africans and Asians.

And that is a true fact. That is only just one indication of this yawning chasm that exists between peoples of the world today. And that is, I say, to my mind a great challenge and the problem we are faced with.

And, Mr. President, it is one that we must solve. Because, unfortunately but truly, this division between "haves" and "have-nots" runs very largely also – is also the dividing line between those with white skins and those with coloured skins. So it is not only an economic gulf that has got to be bridged, but it is a racial gulf.

It is by gross misfortune that the coloured races are those who are at starvation level; it is the coloured races whose standard of living is unconscionably less than that of those with white skins.

And unless this gap is bridged, is solved, then I can only say I truly believe then the world is set on a collision course for total disaster.

The challenge is, I think, both one of moral principle, and also one of self-interest to the developed countries.

Obviously it is not right there should be this hideous difference between standards of living. And it is clearly not right in this day and age, with so much scientific knowledge, technological advances, and all the rest of it – it is not right there should still be a very, very large section of the population of the world living on virtually starvation diet.

But it goes further than that. It is also in our interests to see that their standard of living is substantially increased. Because I do not have to remind an audience such as this that it is where there is poverty, it is where there is suffering, that there are the breeding grounds for Communism. And so long as these countries do remain so desperately poor there is the ever-present threat of them becoming totalitarian regimes and adding strength to the Communist bloc.

If, however, by our efforts we can get the economies of these developing countries really off the ground, if we can offer hope of an ever-increasing standard of living to the teeming millions of Africa and Asia, then they are likely, as has been seen frequently in the past, to turn their backs on Communism and that form of dogma and turn to the ideals of democracy and those of the West.

So I say it is a challenge both on moral grounds and on the grounds of self-interest, and for our own well-being and the security of our own future.

Well, now, you may say, "Well, that is all very well but what can I do about it? What can we do about it?" And, "This is a matter for the governments and not for individuals."

But I do not think that this is the case, Mr. President. To my mind above all else the Commonwealth is a relationship of peoples, of individuals. The Commonwealth is tied together not by the ropes of formal treaties. Commonwealth members are not bound to have any form of Commonwealth treaty to bind them. The Commonwealth is held together, and increasingly held together, by a myriad of threads which jointly, when taken as a whole, are far more resilient and can take far greater strain than one treaty.

Just to give a few examples, there is the Commonwealth Parliamentary Association, which is very active, I know, here in Canada and throughout the world. There are such things as the Commonwealth Medical Association, the Commonwealth Law Society. And it goes through. There is hardly a professional body of any kind that does not have its own personal Commonwealth link. And these, I say, are the threads that hold the Commonwealth together.

Equally important, and perhaps even more so, there is this enormous interchange of students between Commonwealth countries. And here I am happy to say, Mr. President, Canada plays a very leading part with providing bursaries and scholarships and opportunities for students from other Commonwealth countries.

And let us remember that these visiting students are of paramount importance because these developing countires can only afford to send their very, very best to universities such as yours. They simply have not got the money, the resources, to do it otherwise. So when these young men and women return to their countries they will in a very short time be among the leaders of their countries. And the sort of reception they had while a guest of our countries will colour their whole opinion not only of that country to which they have been accredited, so to speak, but also will colour their whole opinion about the Commonwealth.

Every time any family has a visiting student into his home, at holiday-time, at Christmas, or in vacation, that is yet one more thread to hold the Commonwealth together. You may say it is a tiny thing in itself but, to use a somewhat hackneyed analogy, it is the same as the little trickle way up in the mountain, and in due course that trickle joins another and another and in the end it is the St. Lawrence River.

So just by kindness, co-operation, having someone in your home, giving someone a drink, inviting someone to come for a weekend; it is only a trickle but, taken with the countless million examples, of it, will form a real bond, a real Commonwealth unity.

I cannot stress too highly, too strongly, the importance of personal contacts with visitors from the Commonwealth, whether they be university students or whether they be visiting businessmen. It all helps to create this bond and to link together, as I have said before, not like-minded people but unlike-minded people.

Now, it is a very happy thing to say such remarks to a Canadian audience because I know very well, both from my experience of four years in the Commonwealth office and from my time as Chairman of our Commonwealth Society, how outward-looking you in Canada are in this respect and how that you are aware of the need for links to be forged between different Commonwealth countries.

You have here in Canada these very special links with the Caribbean countries. And this is as it should be. They are developing West Indian, independent countries and you are a highly developed, highly sophisticated country, and yet you are putting out helping hands to get these Caribbean countries firmly established on the road to prosperity.

And in a different way, a small way but not less important, there are the splendid activities of the Canadian Universities Overseas Service where young men from university go out as teachers or as leaders, and that kind of thing. And I have travelled a lot in developing countries of the Commonwealth and have heard nothing – nothing but most glowing terms of praise for the work done by people sent out by CUOS. That again is absolutely admirable and just what is, I am sure, required in ever-increasing numbers.

Then there is the very, very considerable aid that you as a country give to the developing countries of the world. And this is as it should be. It is generous, but it is morally right. And, as I said earlier, it is also in our own interests that that aid should continue and indeed, if possible, that it should grow.

By they way, I would just like to say a very brief word on how delighted I am to learn since I have been here of the strengthening of cultural ties between Canada and the former French African territories, although they are not in the Commonwealth. No matter; this is again an example of the different worlds getting together and finding ties with the other.

So that is where I say we the individual comes in. This is a personal thing. The Commonwealth is a relationship of peoples above all else.

Having said that I would just like to digress for a moment and talk a little bit about Britain's problems with the Commonwealth. Because at this moment we are in two respects in a special difficulty; first of all because we are still tarred with the colonial brush.

The British Empire is a thing of the past. There are very, very small spaces now on the map, on any map of the world, that are still coloured red.

I am one who is proud of what the British Empire achieved; and I am even more proud of those men and women who served it, went out from Britain as teachers, as missionaries, as administrators, for very little material reward and frequently working in appalling physical conditions. I am proud of what they did, of what they did to defeat the real enemies of mankind: ignorance, poverty and disease.

But the British Empire was never meant to last. It was the policy of successive British Governments of all parties for many, many years past to bring those countries which we had the privilege of administering to independence at the first possible moment that we considered that country could bear the very considerabla strains, both political and economic, that independence brings in its wake.

So I say, while I am proud, and unashamedly proud, of the British Empire, it is a thing of the past and, again like the old Dominion days, it is no good hankering after the past. You have to move with the times. And times change.

But unfortunately still those who wish to make mischief for us can point the finger with just enough element of truth to make it stick in some quarters that we are still a country of reactionary imperialists. And this has been highlighted and made more difficult by the hideous problem of Rhodesia.

I will not digress and talk about that great tragedy. There is no other word can adequately meet it, other than to say that let us sincerely hope that the forthcoming visit of the Commonwealth Secretary Mr. George Thomson may by some miracle find a way of breaking the deadlock. Because so long as the Rhodesian problem remains we, Britain, will be in for constant criticism both at United Nations and from our Commonwealth partners, particularly in Africa. So this is holding up our progress as a Commonwealth country.

So that is one problem. The other difficulty, of course, is the vexing question of us joining the European economic community.

People feel – and it is understandable, I think – many people do feel that should we join the Common Market – I must admit the prospects at the moment do not seem particularly rosy, but people feel if we do, and even the fact that we want to, means that we wish to weaken the Commonwealth link.

Well, now, Mr. President, I assure you this is not the case.

I must admit that I am a convinced marketeer. I think Britain's future economic role, future dynamic prosperity, must lie joined closely to Europe. But I see no reason whatsoever why, should we join the Market, the Commonwealth would be weakened. Indeed I think it is just the reverse.

Because, first of all, the Commonwealth has never been an exclusive club. Canada and ourselves, we belong to NATO. NATO is abhorrent to some members of the Commonwealth. Equally all the African countries of the Commonwealth belong to the Organization of African Unity and yet without in any way weakening their membership of the Commonwealth.

So if it is all right for a Commonwealth country to belong to NATO or the OAU, why not ECM? That seems to be a perfectly logical argument.

I think in many ways should we join Europe the Commonwealth will ultimately be strengthened, because if it leads to greater prosperity – and I am not quite qualified to judge, but the best advice I have is that, by creating a domestic market of 250 million as opposed to our present domestic market of 50 million, and providing we can meet the challenge that will be presented to us and get our fair share of that increased market, we in Britain will become more prosperous and will have more money available to give in aid.

And the amount of money that is really required in aid is so gigantic that we need all the prosperity we can get so that we can feed them expertise and money to help these countries find their feet – again back to the vital need to bridge the economic gap.

But I do see that there is beneath this feeling of sentiment – people feel if we wish to look towards Europe we must be looking away from the Commonwealth. And the difficulty is that not to wish to see the Commonwealth weakened is an admirable sentiment. But I think in harder terms once we have joined Europe I think history will show the Commonwealth link not weakened and ultimately the Commonwealth as a whole was strengthened due to Britain's increased prosperity.

I have talked quite long enough. I would just like to add something on one note.

I have talked a little bit, very briefly, about the British Empire. But some of you may have noticed I have talked strictly about the Commonwealth. And this was not accident.

It was the "British Empire". But it is not the "British Commonwealth". It is "The Commonwealth". And we in Britain, like you in Canada, are just two members of the 26 countries that comprise the modern Commonwealth. And I think it is very important for the concept of the modern Commonwealth to be established that it is realized that, although the Commonwealth evolved from the British Empire and there would not have been a Commonwealth had there not been a British Empire, the two are totally different; and that the British Empire was red on the map; it was administered from London; whereas the Commonwealth is not red on the map; it is not administered by Britain. And we are now just one country.

There is, I think, an analogy that fits it very well. In the old days of the Empire you could liken it to a wheel with Britain being the hub and the spokes going out. With the modern Commonwealth it is still a wheel, but it is the rim that matters now. We are all part of the rim. And we must all work together as partners to see that the rim of the wheel goes round smoothly.

And if I leave no other thought with you, Mr. President and Gentlemen, it is this: that the Commonwealth is totally different from the British Empire and we are but one member of it.

We have naturally very great responsibility for it because it was through having an Empire that it came about. But now the Empire has passed and the Commonwealth has taken its place we are very conscious that we are but one member among twenty-five other peoples.

I am convinced that this new concept and, as I say, this new ideal, is worth working for, is worth fighting for. But if we do not work for it it will wither away.

And that is why I am so proud to be in Canada on behalf of the Commonwealth Society, because there are people here in Canada who share my ideals, many of them, and will help to make it work.

It is just like a new, tender plant. It must be nurtured and fed, a hothouse plant, so that one day it can grow into a great tree and flourish. But if we do not work on it it will wither and die.

Mr. President, the other day I was speaking at a dinner, and I was very nervous and frightened. And my neighbour, who was infinitely more distinguished than I, on this occasion was not speaking. But anyway the moment arrived and I turned to him and I said, "Oh, my goodness, I do hate speaking."

He fixed me with a steely eye and said, "Oh, do you? I don't mind a bit. I can't bear to listen."

Mr. President, you have done me a very great honour in inviting me to be your guest and allowing me to address this very distinguished audience on a subject that is very close to my heart. This afternoon has been an occasion I shall always remember with gratitude and with pride. And I am immensely grateful to you, both personally and on behalf of the Royal Commonwealth Society, for giving me this opportunity of talking a little about the modern Commonwealth. And I do hope you realize that this is a concept and an ideal that we must work at and see that it does grow and does succeed.

Thanks of the meeting were expressed by Graham M. Gore, President of The Empire Club of Canada.

NOVEMBER 2, 1967

Why Do We Need Formal Organization?

AN ADDRESS BY Lt. Col. L. F. Urwick,
O.B.E., M.C., M.A.
DISTINGUISHED AUTHORITY
ON MANAGEMENT

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

In a book entitled *Management of Tomorrow* – which was published back in the year 1933 – we find the following statement:

> "Alongside the 'economic man' of the 19th centry must be placed an 'administration man' of the 20th. There seems no reason to suppose that he will prove a less useful intellectual conception than his predecessor."

In the same book the writer predicted that every aspect of business management would become specialized and professionalized before many decades had passed. As you might guess the book was written by our speaker.

Looking out upon the business community today, we are struck by the accuracy of his observations made nearly 35 years ago. In the careers and opportunities pages of our newspapers, for example, we find advertisements for advertising managers, administrative executives, and public relations directors. Professionalization of all aspects of management has indeed come to pass as he predicted. Our speaker's remarkable abilities in his chosen field did not come into being suddenly or magically. They are the result of extensive study and experience.

He was born at Malvern, England, and educated at Repton School and at New College, Oxford, where he obtained an M.A. degree in modern history. Serving as an officer throughout World War, he was awarded the O.B.E. and M.C. and was three times mentioned in Dispatches.. Following the war he worked in the family business and with Rowntree and Co. Ltd. He was Director of the International Management Institute, Geneva, from 1928 until it closed in 1933. He then returned to London and founded Urwick, Orr & Partners Ltd., a highly successful management consultancy business.

During World War II he served with His Majesty's Treasury and with the Petroleum Warfare Department, attaining the rank of Lt.-Col. He retired from the chief executive position in Urwick, Orr & Partners Ltd. in 1951 but remained Chairman of the Board until 1961. He is a Life Director of the Company and is now its (Honorary) President.

In 1951 he was Chairman of the Anglo-American Productivity Team which visited the U.S. to investigate "Education for Management". In 1955 he helped found Urwick, Currie Limited of Canada and was Chairman until 1964. In 1956 he visited India as Colombo Plan adviser to the Indian Government, and in 1961 left England to live in Sydney, Australia.

In addition to the early book already mentioned, Colonel Urwick is the author and editor of many subsequent books and papers on leadership, management, and organization.

He has received many honours and awards, including the Gold Medal of the International Committee for Scientific Management and the Wallace Clark International Management Award. He is an Honorary Life Member of the American Management Association.

Our speaker has travelled to numerous universities throughout the world to give special lectures – and currently he is visiting distinguished professor at the School of Business, York University, here in Toronto.

Gentlemen, it is a privilege to present a distinguished businessman. soldier, lecturer, and author, who will talk about "Why de we need formal organization?" – Lt.-Col. Lyndall F. Urwick.

COL. URWICK:

In thinking over what I should say to you today, it occurred to me to offer a few thoughts on the subject of formal organization.

In the first place, what do the words "formal organization" mean? In my opinion they refer to the official structure of positions or posts into which are divided the total of the activities necessary to realize any purpose calling for the combined action of a number of persons. It is necessary to be meticulous about this because some of our American friends have a popular practice of using "the" or "an organization" as a synonym for an undertaking as a whole. This had led to a great deal of confusion. Indeed, my old friend Professor Harold Koontz of U.C.L.A. in an article referring to "the confused and destructive jungle warfare" which seems to have overtaken management theory in recent years added, "the greatest single source of confusion appears to center round the word *organization*".[1]

Of course it does, if we use the word in two incompatible meanings. If I talk about the General Motors Corporation as "the organization" or "an organization", what is the meaning of the phrase "the organization of the General Motors Corporation"? Obviously in the latter use the phrase refers to some special part or aspect of the total operation of the General Motors Corporation. But if I also use the word *organization* of the corporation *as a whole*, how can I distinguish which special aspect or function is the organization of the General Motors Corporation?

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[1] Harold Koontz, Professor of Business Administration, U.C.L.A., "Making Sense of Management Theory", *Harvard Business Review*, V. 40, No. 4, July-August, 1962.

American writing on the subject needs watching for this semantic ambiguity. It was Chester Barnard who first pointed out that human institutions have a double set of working arrangements. There is the official arrangement of positions or posts prescribed by management which he described as the "formal organization". And there are all the groupings and sentiments and customs which derive spontaneously from the facts that human beings are associated in work and that man is a social animal. These he described as "informal organization".[2]

By drawing this distinction he threw light into many dark places and resolved a wilderness of controversies. Indeed so useful was it that the terms "formal" and "informal organization" passed immediately into the literature of management. It was the quickest popularization of a piece of scientific analysis which I have witnessed in my lifetime. But this valuable piece of analysis of Barnard's was very shortly denied and confusion reintroduced, by two well-known professors who wrote "The United States Steel Corporation", "The Red Cross", etc., are "formal organizations".[3] One only need inquire "If the United States Steel Corporation as a whole is "a formal organization", what becomes of its "informal organization"? to see how this single piece of semantic carelessness makes nonsense of Barnard's famous distinction.

There is, in the United States, a built-in tendency to be apprehensive of and unduly critical of formal organization. This is largely a matter of historic roots, a peculiarity of the American culture. The United States, regarded as a unique society, a people with customs and attitudes of their own, is a comparative newcomer in the community of peoples.

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[2] Chester I. Barnard, *The Functions of the Executive*, Cambridge, Mass., Harvard University Press, 1938, p. 73.

[3] James G. March & Herbert A. Simon, *Organizations*, New York, John Wiley & Sons Inc., 1958, p. 1.

When, a couple of centuries ago, the 13 states – as I think very rightly – threw off the incompetent, over-riding authority of the British Crown, they were very largely communities of subsistence farmers living precariously, on a frontier. Such communities do not, in their initial stages, use very much government. The subsistence farmer is, by definition, sufficient unto himself. Of common affairs and their regulation he has little need or experience. A town meeting once a month, where everyone had an equal voice, was sufficient machinery of government.

Of course, it didn't always work. As movie after movie remind us, there were "bad men" who terrorized isolated individuals and communities. But, again, the remedy was direct and simple, at least in theory. The "town meeting" found some citizen who was "quicker on the draw" and prepared to risk his life for the sake of the rest. There was a gun fight and the "bad man" was carried out feet first. When the under-sheriff was carried out "feet first" they either submitted to terrorization or found someone else who fancied his gun-play.

For these frontier communities the United States have, in the last couple of centuries, substituted the most complex industrial civilization the world has yet seen – single enterprises under unified control employing thousands, scores of thousands and in some cases a quarter of a million or more people. But the traditions of individual independence and of violence as a reply to it, still linger.

Scholars have noted this ambivalence. J. K. Galbraith has written "the role of power in American life is a curious one. The privilege of controlling the actions or of affecting the income and property of other persons is something that no one of us can profess to seek or admit to possessing . . . Despite this convention, which outlaws ostensible pursuit of power and leads to a constant searching for euphemisms to disguise its possession, there is no evidence that, as a people, we are averse to power."[4]

A second factor in American national attitudes which militates against formal organization is that they identify it with "bureaucracy". And "bureaucracy" is, of course, an extremely "dirty" word, especially among American businessmen. Some of this prejudice against bureaucracy is reasonable enough. The tendency of "Jacks-in-Office" to try to swipe the Jackpot is a human weakness which we all recognize.

But the term "bureaucracy" has become identified in the American mind with public ownership. Now it is true that public undertakings are particularly liable to the occupational eccentricities which we associate with the term "bureaucracy". But that is not because they are publicly owned. It is usually because

1. They are very large.
2. They are politically controlled and,
3. They are over-centralized.

David Lilienthal, formerly Chairman of the Tennessee Valley Authority, has some wise words on these points:

> "Centralization at the national capital or within a business undertaking always glorifies the importance of pieces of paper. This dims the sense of reality. The reason why there is and always has been so much bureaucratic spirit, such organizational intrigue, so much pathologic personal ambition, so many burning jealousies and vendettas in a capital city (any capital city, not only Washington), is no mystery. The facts with which a highly centralized institution deals, tend to be the men and women of that institution itself,

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[4] J. K. Galbraith, *American Capitalism – The Concept of Countervailing Power*, 1952. Sentry Ed., Houghton Mifflin Co., Boston, Mass., 1962, p. 25.

> and their ideas and inhibitions. To maintain perspective and understanding in the atmosphere of centralization is a task that many able and conscientious people have found well-nigh impossible. Making decisions from papers has a dehumanizing effect. Much of man's inhumanity to man is explained by it".[5]

Given, however, an understanding of the conditions essential to good management and the determination to apply them, there is absolutely no reason in the world why a publicly owned enterprise should not be conducted as effectively as a privately owned enterprise.

Don't misunderstand me. I believe whole-heartedly in a free economy. At the present stage of economic development I believe it is the best way to adjust the innumerable and varied desires of men as consumers to the changing technology of production. But there are some jobs which are too big and too long-term to attract the private investor, jobs which urgently need to be done. And, provided the principles of good management can be applied to them, they should be done by the nation. There is no "sacred cow" about private capitalism or about public ownership. It all depends on the nature of the job which is the more convenient arrangement.

It is these three prejudices:

a. The feeling that men should still be as "free" individually as they were as subsistence farmers on the frontier;
b. The dislike of power in any form and particularly of "discipline";
c. The association of organization with bureaucracy and bureaucracy with public ownership, which make our American friends so dubious about formal organization in any shape.

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[5] David E. Lilienthal – *TVA – Democracy on the March*, London, Penguin Books, 1944, p. 128.

And yet, by one of those ironies of fate which so often illumine human affairs, they have built up the most elaborate structure of big business undertakings that the world has ever seen.

The question we all have to face is whether it is possible to conduct any sizeable enterprise successfully without formal organization? In my opinion it is not. Almost every great business in the U.S.A. today has its organization chart. Many of them have organization departments. If they don't believe in formal organization why do they find themselves forced to spend time and money and thought on problems of organization?

For a very simple reason. If men are to co-operate effectively they must be able to answer, each one of them, the six questions posed in the late Rudyard Kipling's well-known rhyme:

> "I keep six honest serving men;
> They taught me all I knew.
> Their names are What? and Where? and When?
> And Why? and How? and Who?"[6]

Men cannot co-operate together effectively unless each member of any institution can, at all times and places, answer those six questions. He must know *what* he is intended to do to take his place in the combined effort. He must know *where* that place is. He must know *when* he should start his individual effort. He must know *why* his effort is needed in the whole. He must know *how* to exert the effort required, and he must know *who* can and should tell him those things. Unless he knows the answers to those six questions he cannot be "an honest serving man" to that institution.

Now all this is easy enough in a small business – a dozen men, say, all working together in the same shop. Each has his skill, his allotted task. They are all within sight and sound of each other. Probably there is someone who founded the business whose leadership they accept. Cohesion is maintained by the commonsense requirements of the job to be done, the leadership of the founder and the customs of the shop.

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[6] Rudyard Kipling – from "The Elephant's Child", *Just So Stories.*

But translate that situation into a dozen thousand men, not working in the same shop. They are in different shops, on different floors, in different buildings, in different plants, in different towns, in different countries, perhaps a world apart. Still, theoretically, each man should be able to answer those six questions. And the corollary of this need that each man should *know* what is expected of him, is that there must be a comprehensive and accurate system of official communication. That is what formal organization is about. An organization chart is not a blueprint for living. It is a wiring diagram. It is a design which tells each individual who tells who about what, how, when, where and why.

It is the great, the unique, contribution of the late Chester Barnard to the theory of organization that he made this point quite central to his ideas. In his famous book, *The Functions of the Executive* he returns to it ten or more times. "The essential executive functions are . . . first to provide the system of communication."[7] Or, again, "The need for a definite system of communication creates the first task of the organizer and is the origin of executive organization."[8] I won't trouble you with the others. There are some six or eight more.

If, however, we accept this view of Barnard's – and in my opinion it is unanswerable, it is ridiculous to adopt the posture assumed in recent years by many students of the so-called "behavioural sciences", namely, that we can know nothing that is exact about organization until we have a complete science of human group behaviour. That, as we all know, is a remote contingency. Our knowledge of techniques for studying human behaviour, is, at present, like a bad photograph, under-developed and over-exposed. I can remember 30 or 40 years ago, hearing one of the leading psychologists in Great Britain say to the British Association for the Advancement of Science, "The psychiatrist demands six months of weekly sittings from his startled patient to resolve a single complex". Shakespeare thought that an even longer period was necessary, "It is not a year or two shows us a man", while Dr. Johnson felt that the intimacy of a lifetime was scarcely sufficient, "God Almighty, Himself, sir, does not propose to judge man until the end of his days".[9] The sciences of individual psychology, of psychiatry, of social psychology, of sociology have not developed all that much in the interval which has elapsed since.

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[7] *Op. cit.* N[2), p. 217.

[8] *Op. cit.* N(2), p. 217, vide also pp. 82, 91, 94-5, 106, 113, 175.

The problem we all have to face is that, while *we* may believe that those sciences have made great advances, if we are going to use them to "push people about", in making decisions which affect the lives and fortunes of our fellow human beings, the people have to believe in these sciences, too. A group of psychiatrists employed by the British War Office did some very interesting and constructive work in the Second World War. But right up to the close of hostilities the British private soldier referred to these eminent scientists as the "trick cyclists". And in the government of Great Britain, as in the government of Canada, as in the government of any business in those countries, it is the rank and file who decide ultimately, what goes and what does not. We live – and personally I thank God for it – in democracies. And that is what living in a democracy means: ultimately the man in the ranks, Joe, Jack, call him what you will, decides.

But to argue that, because we don't know everything about human motivation and human behaviour, we can know nothing about how to arrange a system of communication between positions or posts so that it works effectively, is nonsense. After all, I can pick up a telephone here in Toronto and call a subscriber in New York or San Francisco or London in about three minutes. To be sure the man at the other end may not want to take my call or may be out: there may be 101 reasons why the call is not successful. But the actual mechanics of the operation are relatively simple.

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[9] Sir Charles Bartlett – Presidential Address to the Psychological Section of the British Association for the Advancement of Science, 1924. v. Report.

It is the same with organization. To arrange the mechanics of the system is one problem and by no means too difficult a problem. To ensure that the individuals manning the different posts on such a system are able and willing to *act* on the communications they receive through the system, is another and different problem. But until we learn to deal with the two problems separately we shall make no progress with either of them. In particular, if, the minute someone mentions the word *organization* we indulge in a lot of twaddle about "people", we shall get nowhere.

If an engineer is asked to design a telephone exchange, he starts by asking who wants to talk to who? He doesn't begin with prolonged enquiries about the "vital statistics" of female operators or whether they speak French or German. He assumes an average female operator and gets on with the job of designing a system of communication that will work, assuming that none of the operators is deliberately trying to sabotage it.

It is the same with designing human systems of organization. To design a system of communication which can and will work successfully, provided the people manning the various posts *want* to make it work, is quite a separate issue from the question of whether those manning the system are in good or bad shape, enthusiastic to make it work effectively, or unconcerned whether it works or not. The first is a problem of design or structure; the second is a problem of morale. It is proverbial that the bad workman always complains of his tools. But that should not prevent us from distinguishing between good and bad tool design.

Possibly I am biased in the matter. My first practical experience of organization on any scale was in the British Army in the First World War. There men died much too fast for anyone to dare to try to build the organization of a battalion or of a division round individuals and their behaviour. We had to build it up round positions or posts which were filled, as required, by different people. When I left my battalion on Christmas Day, 1915, I happened to be the only officer of the original thirty then serving with it. So I looked at my serial number on the roll of officers; it was 241. We had turned over our original thirty officers eight times, or once every two months since the War started.

Fortunately in business our casualties are less severe. But I do not believe that that makes any difference to the principle that the structure of a department or business is one problem and that the way you man that structure with appropriate persons is another and separate problem. And we shall be the more successful in solving both problems, the more we keep them apart. If I am designing a telephone system, I don't *start* with the idiot who wants to use the receiver to pick his teeth or who can't dial 5 without dialling 1 and 4 first. The double-talk in using the word *organization* to which I referred in my opening remarks is a handicap to us in keeping the two subjects apart. It is therefore a nuisance. It should be eliminated as quickly as possible from the vocabulary of management.

Thanks of the meeting were expressed by B. J. Legge.

NOVEMBER 9, 1967

The Next Hundred Years

AN ADDRESS BY Eric Kierans
PRESIDENT, QUEBEC LIBERAL ASSOCIATION

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

The recent closing of EXPO '67 was an official and rather saddening reminder to Canadians that Centennial Year is drawing to a close. All in all it has been quite a party – providing a healthy outlet for our national exuberance and a welcome opportunity to raise high the standard of our national unity.

Amid the celebrations we have also taken time out to scrutinize our past – we have experienced pride in our achievements but we have also recognized our failures. Now, as we head into our second century as a nation, there are sobering signs that we would do well to look to our future with equally involved interest. Serious challenges confront us, some of which are directly related to the survival of the Canadian reality.

It is reassuring to note that these challenges are not going unanswered. They are, in fact, drawing spirited response from spokesmen of all our political parties. One of the most dynamic contributors to this national forum is our speaker today, who is a Member of the Legislative Assembly of Quebec, and President of the Liberal Federation of that province.

Mr. Kierans has not only thought and talked about our future, he has written a recently published book on the subject. The book is entitled *Challenge of Confidence: Kierans on Canada*, and from it I quote the following:

> "In 1867, three million people living in British North America were counted as a nation, not an immediately and completely independent one, but one destined from the beginning to assert itself and gradually respond, out of its own rich complexity and dual cultures . . . to the innumerable and varied problems of living nationally and internationally.
>
> "One hundred years later, Canada is entering its second century with the major objectives of 1867 still to be attained: the achievement of national unity at home, and the projection of a sharp, clear Canadian identity abroad. It is only in the last generation that Canadians have become theoretically independent in the field of foreign policy, and we still refuse to believe that we can maintain our economic freedoms. We face the task of first resolving our own fears and doubts . . ."

The book has been greeted with enthusiastic praise by some reviewers and sharp criticism by others. We can be sure that our speaker is neither surprised nor perturbed by such a turn of events, since he has never shown preference for an uneventful passage through life.

He was born in Montreal on February 2nd, 1914, educated at Loyola College and McGill University and later was Director of McGill University's Schoool of Commerce and Professor of Finance. Twice during his career, he has taken over faltering businesses in Montreal and transformed them into substantial financial successes. From 1960 to 1963, he was President of the Montreal and Canadian Stock Exchanges. Subsequently he served in the Lesage Government of the Province of Quebec –

first as Minister of Revenue and latterly as Minister of Health.

His affiliation list includes the Canadian Institute on Public Affairs, the Canadian Management Council, the Canadian Political Science Association, the American Economic and Finance Associations, and the Montreal Athletic Association.

Mr. Kierans is no stranger to controversy. There are those who say that he was born to stir things up. There are others who declare even more emphatically that he was born to lead. Everyone can agree, however, that he brings to our public life an effective combination of intellect, courage and energy. Appropriately, his topic today is "The Next Hundred Years". Before I present him to you, I would like to read a little poem which was written by a Quebec writer, Mrs. Phyllis Lee Peterson, and read recently over radio station CFCF.

I'm in love with René Lévesque
But it's making me into a wreck.
For years I have followed with heartbreak or glee
His antics on radio, press and T.V.
He plunged me to depths, he filled me with joy,
To me he's a broth of a "Canadien" boy.
Please don't ask me why. I just can't explain.
He's no Gregory Peck: in fact, he's quite plain.
It may be his voice like raw Scotch on the rocks
Or his quick crooked smile or his scanty locks,
But when from the screen I left René's gaze
I forgot he was calling me "Maudite Anglaise".
I'm a fat cat from Westmount, but that didn't count,
There was something about him that made my blood mount.
Hélas. It's all over, my dreams are in dust.
René doesn't want me. The whole thing's a bust.
He's broken my heart. *Enfin et voilà* –
I'm a Canadian, he's *Québecois*.

He wants love in a garret. I like to eat.
I'm cold Anglo-Saxon, René likes heat.
He likes only one language, I'm partial to two,
With a split-up like that, what can a gal do?
I'm no Juliet. Sad parting's our fate
Or we'll starve in the tomb of a sovereign state.
So I wipe away tears and consider my plight –
I wonder what Kierans is doing tonight?

We don't know what Mr. Kierans is doing tonight, but I know he has agreed to speak to us today – Mr. Eric W. Kierans.

MR. KIERANS:

Mr. President, Members of the Empire Society, I am delighted to be here and extremely flattered at the numbers and also flattered with some of the positioning of your head table. It is the first time that I have found Wally McCutcheon to the left of me.

I have my own definition of biculturalism and bilingualism and I think if I told you what my activities are tomorrow you will get an idea. Today, I am in Toronto and tomorrow, I will be in Three Rivers. Today, I am speaking to the Royal Empire Society and tomorrow to the United States Steel Workers of America. Today, I am speaking alone and tomorrow, it will be a debate with René Lévesque. It will be in French, so there is another difference. But I think the most outstanding difference of all is not the language difference; whilst of the two invitations, Mr. President, your invitation is extremely flattering, and very persuasive, the invitation from the Steel Workers was, I suppose, you could say, flattering. They sent identical letters to René and me! They wanted us to discuss – and there was a clear implication from the letters – they wanted us to discuss the economic problems of independence. You got the idea to leave aside the social and cultural things. They wanted us to speak frankly, but the last paragraph was the real clue, which said in rough translation – and it was rough – if either one of you should refuse this invitation, the other will be the Guest Speaker!

I sent a telegram quick. As your President is aware, I prefer speaking without text and from notes. If you want to generalise on what is going on in Canada, today, I think you could use the illustration which is often used in business. It is that there are few yes-men around in Canada. I think it is a myth to say in business that business leaders don't like yes-men. It is certainly a myth in politics, because they do like yes-men around them. But today there are in the country, a great many people who are not yes-men. They are bringing issues to the forefront, forcing them into the open and forcing us to discuss them. It is not only the French Canadians – it is also the young people, the youth of society, your sons and mine, who discuss our values, the assumptions and traditions on which we have based our lives in the last century, and who discuss and criticize and express their dislike, quite frankly, for policies and values that may be in question at the moment. These people, the no-men in society, of all groups and of all generations, criticize leadership, they criticize Canada, because basically they feel that Canada could do better and I think we have to draw from this the conclusion that they are right in raising the issues and the conclusion is that Canada must do better.

Now, I don't think that this is peculiar to Canada. All over the world, you find the same questioning going on. There are three basic reasons for the questioning because the pace of living has changed not only in force and intensity but also in direction. It is something we have never experienced in history and we in this nation, and in every nation, simply have to come to grips with the problems that we are going to face in the next generation.

When you think of three positive changes that are going to take place: one in the number of people in the world between now and the year 2000, we can get an idea of how rapidly the world is changing.

The world doubled its population from 1750 and up to the year 1890. It took 140 years to double then. The last time it doubled, it took only 75 years. In the next generation, we will double again in a much shorter period of time, in 35 years. You can well imagine the tremendous pressures that this is going to create, but that is only one aspect of it. Of all those people, a very much larger percentage of them will be better educated than we ever were. Their knowledge and their skills will be much greater than ours and the potential pool of talent, of capacity, of desire to meet challenge will be without precedent in all history. That is the second one, and the third one is, objectively, outside of the individual capacities of people and their numbers, the increasing growth of science and technology and there will be virtually no limits to this. You can remember our own surprise at the sputnik and the tremendous advances since that time. But to project this over 35 years is beyond the capacity of myself and most people.

It is possible to say that the only limiting factor to growth and change will not be human capacity but the supply of capital and the wisdom with which we use the capital that will be available. These three major factors, population growth, educated people, expanding knowledge and science are common to all nations.

Individual nations have their own problems. The United States, their Negro problem; other nations, the problem of youth; productivity, the problem in Great Britain; we, in Canada, have to face up to our challenge – that is, the French Fact.

I think too many French Canadians still think in terms of 1959; all this has changed. The real revolution in Quebec that has taken place has not been the attacks on Federal powers; this has been really nothing new although they have escalated a great deal. There is no question about it, but the real revolution is what is going on inside Quebec since the death of Mr. Duplessis. I am not taking any credit for this as a Liberal. Because this was all starting immediately with the death of Mr. Duplessis and it started under Paul Sauvé also – and his death was a tragic death not only to Quebec, but also Canada, because he was a Canadian through and through. But Paul Sauvé did not criticize his former chief, and he did not criticize the former policies of the Cabinet, but he said one word – *désormais* – from now on. And from the moment he took over he said "from now on" and he meant that from now on things were going to change, but he lived so short a time that these became the responsibility of Jean Lesage too and those changes went ahead. The changes can be best illustrated in that the economy turned around completely from one in which the policy of the government was an Emersonian policy, that is – the less government the better.

The government is elected to do things for people that they cannot do for themselves. This role has changed completely during the years. Whilst it may have been marvellous that the actual debt of the Province declined from 296 million to 195 million, between 1944 and 1959, the debt tremendously went up since that time. But whereas the burden was borne in the forties and the fifties by the uneducated, those who did not have proper hospital facilities, by the lack of training schools, by the desire to keep taxes low and thereby attract industry, which was a mistake because they did not reduce marketing costs because of distribution, manufacturing costs, the inflow of raw material. None of these policies really made Quebec an industrial province. And while you did all these things during the forties and fifties you fell 30% behind the rest of the country. In 1956, Quebec spent per person 30% less on education, not only 30% less than Ontario, but 30% less than the national average from Newfoundland to British Columbia.

What you accomplished at that time, taking education away from the control of the clergy and particular groups, making the Province responsible for standards, for salaries, for the level of education, introducing technical schools right across the Province; all of these things created and changed the Province into an outward looking Province, a Province that began, for the first time, to examine its place in its own country, Canada, and its place in Confederation.

I think the thing we have to remember here is that the French Fact is a pact that is a permanent pact in Canada. It is not going to change. The million people of which our President spoke, at the time of Confederation, is now six million, almost 30% of the total population of Canada, and while this percentage may decline as we double our population – and it will certainly decline to 26% or 24% over the next generation – that would still mean 10 million or 11 million French Canadians. When there are 10-11 million possessed of a culture, tradition and language that they want to keep, that you and I would fight just as hard as they are, to keep, if we were French-speaking, this is the peculiar element in the next generation that is distinct from all the others common to other nations, population, knowledge explosion and so on, that we have to face up to.

In the Canada of 1867, the problem was one of transportation. This was a nightmare – how to pull this nation together, the overhead costs of pulling it together so that you can transport from one end to the other, fish and the manufactured products that were produced over the entire country and this was the particular Canadian challenge; the overhead costs of these will always remain, that is, they will always ensure that there will be greater government participation in our lives than our neighbours to the south and it will constitute the burden that will mean we will have a lower standard of living than in the United States.

The problem for the next century is transportation; but not the transportation of fish or meat or any other products we produce. It is the transportation of ideas and of culture, of traditions from one part of the country to another. So what you use therefore is the word "transport" but you mean that there has to be greater mobility of ideas, cultures and traditions in this country from now on. There has to be a cross-fertilization of the two groups and basically as Pierre Elliott Trudeau said "at the bottom of all this uncertainty in Quebec is really uncertainty about the future of their language and educational rights of the country." Not in Quebec, not in their own Province, but across the nation. And I think that we have to adopt the policy, it is vital that we adopt the policy, of the acceptance of the idea of two cultures. Regardless of what historians may say that nothing in the Pact specifically created a bilingual nation, it is also true that nothing in the Pact said that one should assimilate the other and I think we have to open up to this and we have to realize – and we have here a tremendous advantage – that when the two cultures, the two values and traditions touch each other, affect each other, they will change each other subtly and for the better.

There should no longer be two nationalities, but gradually, not in ten years, but gradually, over time, there will develop a better understanding and a new political nationality.

What the two of us have to have, what we are working towards is that respect for each other that will be commanded by our individual actions and our own actions also that will excite admiration, each for the other. We have to, ourselves, English Canadians, give up the idea that eventually French Canadians will be assimilated, for they are willing to pay almost any price to preserve their identity, just as we Canadians are willing to pay a very heavy price to resolve our differences, not our hostilities, but our differences with our friendly neighbours, the

Americans, to the south. If we give up the assimilation idea, they have to give up the idea that they are the French minority that will somehow be turned into a majority with a common market and whatever kinds of commercial unions you can devise. They also have to give up something else, that in the internal arrangements of the country, their minority commands as many voices as the majority. But this is not the problem.

The problem is to realize a respect and admiration for each other and our motivation should not be economic arguments. I used them once against the separatists because I felt that they had to be laid on the table, but our motivation should be something else. It is true they cannot do it today – separate today – without a loss in standards of living. We Canadians are the last people in the world that can use that argument. This is what Confederation is all about: the attempt to preserve two cultures, one British and one French. In 1867, that would form a nation different from the United States. This is a difficult argument for us to use because it can be turned against us; our motivation should be, while they cannot do it today without suffering a loss in the standard of living, our motivation should be that, when the day comes, they won't want to do it. They should inspire us, then there will be no problem. But what should motivate them is a commitment to a new Federalism, to a real Federalism and to a united country, based on the simple idea of co-operation true and complete in collaboration with the two of us together. The two nations can build in Canada a brilliant future, far better than either of the two nations could build separately.

Now, I think we are going to see very much more clearly in the next generation our differences between Canada and the United States in this new Federalism. The United States constitution at the beginning provided for a great deal of decentralization, of dispersion of authority among states and the trend has been completely different. As you know, on the other hand, we were all looking at a British North America Act which has provided a very strong, tough measure of centralization; until the trend in the last few years, towards more responsibility and authority in the hands of the Provinces.

This is not because of Quebec only. There are at least four reasons that I can think of. One is undoubtedly that a new Federalism means Canada will not be the tightly organized, centralized body some of us imagined and it will not be for cultural reasons only: first of all, because of the existence of the two cultures, the two founding nations, but it will also be because of economic forces. There are five distinct economic regions in this country and we are reminded of it everyday. Just yesterday, according to the papers, the spokesman for the Atlantic Economic Council said the tightening of the belt at this time would not particularly do the Atlantic Provinces any good, however much they might be justified in Ontario or Metro Montreal. Our monetary policy does not work everywhere in the same way. The policy does not appeal in exactly the same way to each of our five economic regions as those of you who travel in the west from time to time know quite clearly. In each of these regions, for economic reasons, there are inequalities in wealth, size of the economy; that is the political reality.

The Constitution did give the Provinces control over education, over health, all of which has become tremendously important to them, and the Provinces are reluctant to give this up so that there has to be reached some adjustment or some rapport between the heavy responsibilities and the fiscal resources over which they have control, subject to the fact, the condition, that we don't weaken the Federal Government unduly.

But the fourth reason, is, I think one that has often been overlooked and can easily be the most important of all and that is, that we have, as the gentleman at the head table here, men such as Ian McDonald that right across this nation are building up in each Province very strong civil services quite capable of taking on new responsibilities and handling very much more capably than their fathers ever did in the past, the responsibility of provincial government; a new breed of politicians who find in provincial governments, all the challenges that can reasonably occupy them and satisfy them in their lives. Twenty-five years ago, if you wanted to go into politics, politics were a very minor league. Jimmy Sinclair would have to leave Vancouver and travel to Ottawa with all the family stresses and strains but today, Sinclair – I mention him because he is a friend of mine – could find in that particular province adequate scope for a very satisfying, fruitful and rewarding political career; at the level of the civil service, people handling budgets such as in Ontario, more than two billion, in Quebec two billion and other provinces large sums; there are challenges that are the equivalent of positions that they could find in large industry that represent for them a really worthwhile career, vocation, and these people from the provinces, are going to resist a highly organized, tightly centralized bureaucracy in Ottawa because provincial civil servants feel – and very justly – that they are closer to the needs or can sense more closely the needs of their respective provinces than one Federal Government from on high.

From all this, I am taking away nothing from a Federal Government, an Ottawa Government that has to be truly federal, has to have true and complete authority in monetary policy, foreign affairs, commercial policy. You cannot have two dollar-bills or two trade policies. You cannot speak of a truly Federal Government if it does not have these powers but a Federal Government, that gives up some of its administration programmes to provinces, is not thereby weakening itself. I don't know of any politician, McCutcheon or Nixon that could say, whether he is in the provincial or federal level, that in the interests of stabilization policies he is going to cut back on old-age pension; these things are there, we have agreed to them and whether it is provincial or federal government that signs a cheque, this does not make much difference. Nobody is going to change that very much.

What is bothering Canadians, young Canadians, French Canadians, English Canadians, new Canadians, is that we don't want Canada to be a mediocre nation. We react against mediocrity as youngsters do; against the junior satellite status nobody wants; and for this reason, most of them ask for something different, that their Canadian role in the future will be a peace-making role, because we are not going to contribute very much with one per cent nuclear power, if you assume the Americans and Russians have a one hundred per cent destruction of the world in their power. I think we, if we want to make a distinct contribution in this country, then we should decide exactly what our interests are and follow them out independently. We don't want to be, and the Canada of tomorrow cannot be, a mediocre country. Young people are raising questions about Vietnam, not only young people, but they especially question everything. French Canadians question their role in Canada, are they going to be allowed to live their friendship and lives in Canada? They don't want to live in France – God forbid. . . . They don't want to live in some dream world, such as Laurentia; and they don't want to live it in a Quebec, separated from all the rest of Canada. They question their role in Canada, their rights to language and culture but they want to live that life in Canada. The third reason why we have to be better than average is that we want to build here the same kind of learning society that other nations are affording, particularly the United States, to their young people, and the same kind of leisure society, the dignity of labour and security for our older citizens. That is going to be difficult for us because we are not nearly as productive as our American friends. Each of us will have to work towards it. The whole burden of this depends on people here in

Canada, to build a separate productive society that will enable us to afford a learning and leisure society. But the fourth reason I think why we have to be a better than average nation is that the other nations of the world particularly all of the middle powers expect much more from us than we have been giving.

They don't want to see us retire into ourselves, retreat into mediocrity. They realize that we have a peculiar position to play, a particular role. We have to play a much more important role on the world scene, for example than Mexico, and we cannot shirk our responsibility because the other nations of the world will consider that we are surrendering the inherent possibilities that lie within this nation. We can, with Europe, be a third and complementary force *vis-à-vis* the two most powerful nations of the world, and we have the opportunity to be in the same way a balance. The Canada of tomorrow must reach deep within itself; it has to resolve first of all its own internal stresses and its disunity and all that this requires is a little better understanding from each one of us and then it has to assume a more independent role in the world affairs. Certainly this is going to be rough. There are going to be pressures because our interests and our national objectives can never be identical with those of other nations, but that is all right, this is how you build a nation, this is how you build a man, the test of each is in his reaction to pressure or his reaction under pressure – and it is by accepting these pressures and not bowing before them that we will create in Canada, unity at home and the respect abroad that all of us want in a Canada of which we can all be proud.

Thanks of the meeting were expressed by H. I. Macdonald.

NOVEMBER 16, 1967

Napoleon Failed - - Will We Succeed?

(Towards a United States of Europe)

AN ADDRESS BY Professor Henri Rieben
VISITING PROFESSOR AT YORK UNIVERSITY AND AUTHORITY ON A EUROPEAN FEDERATION

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

Canadians travelling in Europe for the first time invariably are surprised to discover that distances covered easily on Sunday drives at home, can, in Europe, take them across the boundaries of two or three countries. In what to them is a comparatively short time, they can encounter a variety of nationalities, languages, traditions, and styles of architecture.

To experience this rich mosaic of peoples and places is to appreciate anew Europe's great and enduring contributions to the life of man. At the same time, however, it brings a sharpened realization that the existence within Europe of nationalistic aspirations, jealousies, and suspicions, can create tensions – and did, in fact, trigger two terrible wars.

There can be no denying, therefore, that the encouragement of effective and peaceful co-operation between European nations is both important and desirable. Since the end of the Second World War there have been positive indications of the emergence of such constructive force – not only in formal economic developments, such as the European Common Market, but in the day-to-day life of the people. In this connection, it is pertinent to quote from a book published two years ago and entitled *The Society of Man*. Its author is Louis J. Halle, who was educated at Harvard, served in the U.S. State Department, and in 1958 was appointed Professor at the Graduate Institute of International Studies in Geneva. He writes as follows:

> "The smallness of the European states in themselves is coming to be felt even more vividly by their ordinary inhabitants, whose mobility is increasing at a revolutionary rate. . . . They begin to think of themselves as inhabiting an area larger than just their own country. They begin to feel at home in a larger community."

What of their future? Can we expect to see economic and other kinds of co-operation deepened and extended in Europe? – It is our good fortune to have as our speaker today a man with an authoritative grasp of the many elements involved in bringing about a viable Union of European States. I refer to Professor Henri Rieben of the University of Lausanne, Switzerland.

Professor Rieben worked closely with President Jean Monnet of the European Coal and Steel Community, and is Secretary of Mr. Monnet's Action Committee for a United States of Europe. He is also Director of the European Research Centre and President of the Foundation of the Centre for European Research of the University of Lausanne.

In 1959 he was called upon to act as arbitrator in the Luxembourg steel industry dispute. Last year he was a delegate to the Churches and Society Conference of the Ecumenical Council of Churches, held in Geneva. This year he was Co-chairman of the "Brain Drain" Conference, held in Lausanne.

Professor Rieben is in Canada at the invitation of

York University where he is distinguished visiting professor in the Department of Economics. Particularly valuable there, is his work with fourteen outstanding Canadian students who have been awarded Centennial International Fellowships.

It remains to be said that our speaker was born in Switzerland, in 1921. He is married and has one daughter. He reports that he is "enchanté" with his stay in Canada.

Gentlemen – I now call upon Professor Henri Rieben, a distinguished scholar and a recognized specialist on European affairs. His topic today is, "Can We Succeed Where Napoleon Failed" – which is to say, can we construct a United States of Europe. – Professor Rieben.

PROFESSOR RIEBEN:

I am very much moved by the great honour of your invitation. If I have accepted, it is to express from the most illustrious of podiums my gratitude to Canada and to York University for their wonderful hospitality.

If I had to summarize in half a page the major impressions I received during my stay in Canada and in the United States, I would say that the first impression is that of your continental dimension and its necessary complements: the speed of action and the rapid tempo of life.

In Canada and in North America months are equivalent to years elsewhere.

The second impression concerns youth. Here, the accent is put on youth and on its education. Right from the beginning you give your youth the maximum, to satisfy their needs as well as to provide them with opportunities, and you associate them immediately with the intensive rhythm of life which characterizes you.

The third impression concerns the intellectual community which is responsible for the educational effort. This community is considered and considers itself a force participating in the country's and society's development. The intellectual community believes in the value of its action and is dedicated to its mission.

To this background of general impressions I would add the impressions made upon me by four particular observations.

The first is the decision of Cardinal Léger of Montreal to go on a mission to Africa to serve the most unfortunate of our brothers, the lepers.

The second has been my visit to EXPO in Montreal and the discovery of this wonderful monument to man and his world that you have constructed which has given the greatest of pleasure to over fifty million of visitors coming from all over the world, but, where more than in Paris or Brussels, the presence of two giants, the U.S.A. and the Soviet Union, was very much in evidence.

The Common Market pavilion provided the third impression. In one corner of the pavilion, I discovered a simple photograph, showing faces of another era, a place, a date, some names. Solvay's Physics Council, Brussels 1911, Planck, de Broglie, Perrin, Herzen, Mrs. Curie, Rutherford, Poincarré, Langevin, Einstein, and others, the ideas of which are the foundations of the world in which we live.

On top of the impression I received from this photograph is the impression I received on Sunday, November fifth, from the faces of Canadian Veterans walking to Holy Trinity Church, in remembrance of their comrades who fell on the fields of honour, the battlefields of Europe.

A European, such as myself, cannot help but be moved by this reminder of both the good we have done, in contributing to the modern world some of its most authentic creators, and the evil we have brought upon ourselves in lighting the fires of two conflicts which were European before becoming world-wide.

The key to all the secrets and the history of the integration of Europe, on which I would now like to say a few words, lies in the bringing together of these two images.

The year 1965 started in France with two editorials which today, still shed light on the path of this history.

On January second, 1965, Raymond Tournoux, a confidant of General de Gaulle, concluded an article in *Paris-Match* entitled: "De Gaulle in front of 1965", as follows:

The Past and the Future

Considering this potential Europe, de Gaulle the futurist is constantly in opposition to himself as de Gaulle the conservative. The first step for the Continent is the unity of the Six.

Beyond the difficulties, which, the Common Market succeeds in overcoming, day after day despite their gravity, it has been demonstrated that an irreversible process is developing, one which, against all obstacles, leads to the political authority of Western Europe. The price will be high: the beginning of the history of Europe will mark the end of the history of France.

The coming of this fundamental re-orientation fascinates and frightens de Gaulle. It fascinates him because a new world is being born before his eyes, under his rule and at times with his assistance. It frightens him for he cannot resign himself to be the man who, heir to a past of glory and grief, epics and tragedies, must henceforth accept the demise of the nation state. The permanent drama of Charles de Gaulle hangs on a duality which obsesses him: the heart and reason, the past and the future, France and Europe.

The next day, January third, Jean-Jacques Servan-Schreiber, in the *Express*, in commenting on his readers' choice of Mao Tse-tung as man of the year, concluded an editorial entitled: 20 centuries after Bethlehem, as follows:

> "We are here at the antipodes of lyricism. The Mao Tse-tung of industrial Europe, the visionary of the future on this side of the world, is called Jean Monnet. Though he is the same age as Mao, he is in all other respects his opposite. Without eloquence, without flamboyance, without military uniform, without heroism, without exaltation, Jean Monnet, an office man, a man of quiet conversations with technocrats, launched, fifteen years ago, the same year Mao walked into Peking, the powerful idea of the Community.
>
> Monnet, like Mao, having the same obstinacy, the same patience, has never since stopped seeing the progress of this idea – while de Gaulle in the West and Chiang Kai-shek in the East remain for a while respected and nostalgic witnesses of a past that no man younger than thirty, will ever recognize.
>
> Twenty years! One day when we will bring him into the Pantheon we will recall that Jean Monnet was a Frenchman. That is what will remain of a little provincial in a large community, where from Vladivostok to San Francisco luggage will no longer be opened by custom agents nor will rockets be pointed towards the interior of continents.
>
> The only question, the answer to which remains mysterious and highly preoccupying is the kind of coexistence which will be established between the descendants of Mao, coming out of misery and those of Monnet having come from nationalism.
>
> But to make this third hope live between the two others, we have at least twenty years ahead of us."

The map shows world population growth, one of the factors which make relations between the rich and poor nations the number one problem of our time. Take China, for example. Today, the population density is 200 people per square kilometer of habitable surface. This is comparable to the density in the Federal Republic of Germany, or in the Benelux countries.

But Germany and the Benelux countries have an outlet – more than a century of economic progress has enabled them to absorb most of their population growth into manufacturing and the service industries. In China, however, we can still observe the spasmodic movements of millions of people who set out seeking land and food. If internal tasks cannot absorb these energies, they will direct themselves outwards.

In what direction can China break the bonds of her frontiers? As we can see from the map, she is swimming in an Asiatic world as densely populated as she is – India and Japan are in the same position. Only one direction is feasible – North, to the vast, resource-rich emptiness of Siberian Russia. Perhaps it is from here that future political storms will issue.

But China is only the most populated of the countries, whose multitudes, soon uncountable, under the leadership of men like Mao Tse-tung, Ho Chi-Minh, Boumedianne, Castro and Nasser constitute the infantry of history.

We know that the present world population of about three billion people is living, whether in affluence or hardship, due to the efforts of an active population of approximately one billion. Of these, about six hundred million are peasants, two hundred and twenty million work in the service industries, and one hundred and eighty million in manufacturing.

In the year 2000, that is practically tomorrow, with a world population which will have doubled, the active population will also have doubled. But while the six hundred million peasants will have remained six hundred million, the two hundred and twenty million people in the service industries will have become seven hundred million and the one hundred and eighty million people in manufacturing will number seven hundred million.

Whereas today, 60 million of the 180 million working in manufacturing are from less developed countries, in the year 2000, five hundred million of these seven hundred million people in manufacturing will be citizens of emerging nations and only two hundred million will be white. Here lies the real revolution of the last third of our century!

But time never stands still. What will happen, around the year 2050, when the world population will have propelled itself to fifty billion people and when around the year 2100, to one hundred billion people?

Facing such a prospect, whoever we are and wherever we live, we have only one alternative; either we will have learned to co-exist in harmony with one another, or we will have entrusted to our children and our grandchildren a universe even more dangerous than the one we have already built.

What can Europe contribute to the solution of these problems?

Sixty years ago, a Frenchman from Cognac, began right here in Toronto, in your beautiful province of Ontario, one of the most astonishing careers of contemporary history. Jean Monnet was nineteen years old. He was sent here by his father to sell brandy. Through his experiences with your vastness, and through contact with your forbears, Monnet learned lessons of organization which would enable him, after the outbreak of the First World War, to suggest to Clemenceau a better scheme for co-ordinating the Anglo-French war effort.

During the Second World War, he was the one, who, in the dark hours of 1941, suggested to Churchill and de Gaulle a project of union between France and Britain. He is also the one whom Churchill sent to Washington to negotiate the buying of the aircraft needed by the R.A.F. to challenge Marshal Goering's Luftwaffe in the skies over London. While in Washington Monnet was probably the originator of two ideas which were to go far: the Lend

Lease Bill and the Victory Programme. Even in the midst of the conflict, however, this man, of whom Lord Keynes had said that he had probably shortened the war by a year, was thinking beyond the military victory to the peace which could not be allowed to fail.

It was for this purpose, that, in Algiers at the beginning of August, 1943, he proposed, in a prophetic memorandum, to sweep away European antagonisms, by associating the victors and vanquished, on a basis of equality, in the construction of a true United States of Europe.

Jean Monnet and General de Gaulle had probably at that time come into conflict over two issues: national sovereignty – Germany.

We know that for General de Gaulle, the need for grandeur assumes a very high psychological importance. President Eisenhower probably explained it best.

For a country which has fallen into the abyss, a striving to accomplish a mission will help it regain its self-esteem. But, de Gaulle added, this mission must not be such that the nation becomes diluted in a European entity.

History will remember the well-known dialogue, where, after a monologue on grandeur, Monnet said: “Grandeur, grandeur, what France needs today is a plan to lift herself up”.

De Gaulle had the good sense to take Monnet up on his remarks: “Well, make it your plan” and gave him the job of putting it into effect.

This dialogue was enough to create the Plan to rebuild France, but it was not yet enough to give birth to Europe. However, as master of the plan, Monnet had the vision to conceive it an a truly European perspective. All that was needed at the Quai d’Orsey, was the arrival of a man like Robert Schuman for the Plan of 1943 to become the reality of 1950; the Schuman plan was the beginning of the United States of Europe.

Germany?

She fascinates and frightens de Gaulle. Raymond Tournoux has shown that de Gaulle's opposition to integration stems in particular from the fact that the victors and the defeated would have found themselves equals and that France would have lost the benefit of victory.

De Gaulle knows that he cannot sacrifice German Reunification without, at the same time, sacrificing the unity of Europe.

But reunited, Germany would group together at the core of industrial Europe more than seventy million men, particularly efficient men.

What then?

We remember that at his press conference on the ninth of September 1967, General de Gaulle expressed himself on this problem. He said:

> "We do not hesitate to envisage that the day will come when, in order to achieve a constructive entente to the Urals, all of Europe will wish to settle its own problems and above all, that of Germany, by the only means that will make it possible to do so – that of a general agreement. On that day, our continent could once again assume in the world, for the good of all men, the role that is worthy of its resources and capacity."

But Russia's border does not stop at the Urals. The huge effort that Russia has made to organize the exploitation of Siberia's resources, has cut with action the old dilemma between its European and Asiatic calling. Woe to those who would like to chase her away.

However grandiose this perspective, it is wise to consider more urgent problems.

I see two.

I will recall that the European community was conceived to teach the Victors and defeated how to live with one another and to tie in West Germany with Europe. If one day the young Germans would be led to consider that their important national interests are better served in a national rather than a European framework, then we would have lost the formidable gamble that Monnet dared envision at the end of the war.

On the other hand, a European Community, self-confident, quiet, peaceful, can give to the East, to America, and to the world, those quantities without which no peace discussions can be serious nor fruitful.

For those reasons the most significant aspects of the European Community's future lie ahead of it; it has not been exhausted in those remarkable achievements; the European steel and coal community, Euratom, and the Common Market, for they are merely preliminary steps to the creation of the true United States of Europe.

The future of the community lies ahead and not behind us, for we have to take up the formidable challenges of Japan and America.

Japan has mobilized all her resources of intelligence organization and discipline and applied them to her industrial development. America, at a time when brains have become the most important raw material of the future, seems to have found the way to generate more intellectual energy than she consumes – and she has done this so well, that she may, inevitably, and without seeking to do so, become in fifteen years the sole originator of the Western World's inventions.

Britain, therefore, is needed in this Europe, and needed as a full partner. We owe it to her because she saved us in 1941. She owes it to us. We know that the undertaking may be long and difficult, but we also know that for the time being there is no more important task that requires all our efforts without regard to temporary setbacks.

We will achieve it because, although the idea of Europe was, only yesterday, mostly the vision of a few men, inspired by Jean Monnet, the idea has become, and every day more so, the essential goal of an entire generation of youth who are quite determined to take the necessary steps so that Europe becomes, as Winston Churchill has said, the greatest political construction of history.

It might be for this reason, that the other day on the French radio network, André Malraux, on a programme that touched all those who heard it, could say: "To make Europe is the only truly important task of our time. If Europe starts to exist, nearly everything I have written would become volatilized".

The voice of André Malraux seemed the echo of another great voice, that of Victor Hugo, who in 1849, had stirred the Congress of Peace in Paris by declaring: "A day will come, on which you France, you Russia, you Italy, you England, you Germany, all you nations of the continent, without losing your distinct qualities nor your glorious individuality, you will constitute the European fraternity, as absolutely as Normandy, Brittany, Bourgogne, Lorraine, Alsace, all our provinces have welded themselves into France. A day will come where the only fields of battle will be markets opening up to commerce and minds opening up to ideas. A day will come when cannon balls and bombs will be replaced by votes, by the universal voting of nations, by the true arbitration of a great sovereign Senate which will be for Europe, what Parliament is for England, the Diet is for Germany, the Legislative Assembly is for France! . . . a day will come when we will see two huge groups, the United States of America and the United States of Europe, facing one another, joining hands across the seas, exchanging their products, their commerce, their industry, their arts, their genius, civilizing the world, colonizing deserts, improving Creation under the eyes of the Creator."

Thanks of the meeting were expressed by Dr. H. V. Cranfield.

NOVEMBER 23, 1967

Seeing Is Believing. The New Visual Environment

AN ADDRESS BY

Arthur Erickson
ARCHITECT
DESIGNER OF "MAN IN THE COMMUNITY" FOR EXPO/67

CHAIRMAN

The President,
Graham M. Gore

MR. GORE:

By way of introducing our speaker today, I will begin by quoting an extract from the issue of *Time* magazine dated August 25th this year:

> "For Osaka's EXPO 70, the (Canadian) Federal Government has commissioned a $2,000,000 pavilion by Vancouver's Arthur Erickson, 43, perhaps Canada's most imaginative, and articulate, practitioner of architecture at ease in its setting. For the Montreal Fair, besides having a hand in Katimavik, the inverted Canadian pyramid, Erickson designed the gracefully tapered wooden theme pavilion for Man in the Community."

Mr. Erickson's design, by the way, was selected by Ottawa from a total of 208 entries. Last month he was further honoured by being selected as one of three recipients of $15,000 Molson Prizes presented by the Canada

Council for outstanding achievement in the arts, humanities, and social sciences.

Buildings designed by our speaker have been much praised for their functional beauty. On this point, he has been quoted as saying that he is not interested in creating beautiful buildings in the *individual* sense, but rather with a sense of the *total fabric* of society. He is also reported to have said that in creating our modern apartment buildings we have just taken the office building and tried to put living space into it – a convenient but not really satisfactory solution. (There may be some high-rise inhabitants here today who will find that latter statement particularly interesting!)

Mr. Erickson was born in Vancouver in 1924 and studied arts at the University of British Columbia. In 1950, he graduated from McGill with honours in architecture. He also won the McLennan Travelling Scholarship and Pilkington Award, and spent the next three years in Europe and the Middle East. In 1956, he was awarded a Massey Medal for house design and in the same year joined the staff of the University of British Columbia as an assistant professor.

In 1961, a Canada Council Fellowship took him to Japan, Cambodia, and Indonesia. In 1963 he received the Pan-Pacific Citation of the American Institute of Architects for his work in house design. In 1964, he visited Peru, Venezuela, and Brazil. As can be seen, travel has played an important role in his career and its influences can be discerned in his work. In his own words, "I have made it my serious interest to know other cultures".

His business partner in Vancouver is Geoffrey Massey, son of actor Raymond Massey. The firm of Erickson-Massey employs 15 architects and has won Massey Medals for house designs, the Canadian pavilion at the Tokyo International Trade Fair of 1965, and the internationally praised Simon Fraser University in the Vancouver suburbs of Burnaby, B.C.

In addition to the EXPO 70 Canadian pavilion, the firm's current projects in Vancouver include a twin-towered downtown office building for MacMillan Bloedel Ltd., a home for Canada's High Commissioner in Australia, and work with municipal authorities on the planning of ultra-modern express-ways.

Mr. Erickson is in Toronto to deliver one of the Gerstein Lectures at York University, and kindly consented to address us while in the city. Ladies and gentlemen – may I now present Arthur Charles Erickson, an outstandingly creative Canadian, who will speak to us on the topic: "Seeing Is Believing – The New Visual Environment". Mr. Erickson.

MR. ERICKSON:

Ladies and Gentlemen, one other thing that I have been quoted as saying is that the advent of the computer is one of the greatest achievements and one of the greatest facilities of our present time. Part of the reason is that it will, I hope, free many of us from having to have a good memory. I have never been able to keep amusing stories and quotations in my mind, so I am awaiting the time when that little pocket computer will refer to the memory bank, somewhere downtown, and proffer the right bon mot for the appropriate time at the right moment.

The only thing I do remember – and this is a quotation which for some reason or other has stuck in my mind, and is appropriate today – is from Shakespeare, and I think is a fair comment on the modern city. The quotation is:

"Cease being ignorant of what you are most assur'd,
Your glassy essence, and you will cease to be an
angry ape,
Playing such fantastic tricks before high heaven,
As make the angels weep."

I think that with respect to the modern city this is exactly our situation: that we are inhabiting a place about which we show the most fantastic ignorance.

I think it is embarrassing to go into a North American city. I think it is embarrassing to bring anyone to a North American city, exciting as it may be in many respects. And I think it is largely because somehow or other we have developed ways of thinking that have made it impossible for us to realize just what the city is.

Part of this, I think, is based on an attitude of mind that goes back many, many centuries, but which I like to call a tendency to particularize, a tendency to specialize. Because we were faced with problems in the modern world that we wanted to understand, we found that the only way that we could understand them was to separate them, examine them, analyse them, develop theories about them; and in doing so, to lose our sense of the total picture.

Unfortunately this attitude has penetrated into every aspect of our lives. To me, this is the major "hang-up" of twentieth century civilization: unless we can somehow expand our vision, or make our view of things a little bit more universal, we will not be able to rescue ourselves from a situation which could be critical. To see every phenomenon, including the city, as a sum of functioning parts and to be treated mechanically as a machine in need of repairs is now a built-in response.

There are signs that we are beginning to emerge from this unfortunate heritage. As an example of a change of attitude, I would like to cite the approach to city planning which comes under the term of "zoning". Zoning was no more than further evidence of the same attitude: that is, that in the preoccupation with the parts, we could not really understand what the meaning of the modern city was. Suddenly in the tranquil New England village, or Upper or Lower Canada village, things occurred, such as factories, railways, highways, drains, that were rather unpleasant for the residents and which seemed to be destructive and unhealthy to the residential sections of the city. Therefore these things began to be seen separately in our minds and planners began to feel that the only cure for the city was to provide a place for factories, a place for shops and stores, a place for offices, a place for residences, so there was no conflict one between the other.

This was really, I think, one of the most ingenious devices that the human has invented to destroy the city. This is what is happening to date: the North American city is gradually being destroyed, dismembered by such righteous, logical but totally insensitive attitudes.

Now we see, of a sudden, that planners, architects, engineers are only beginning to realize the folly of this approach, and are beginning to contradict the tenets of zoning and suggesting that we should do away with zoning altogether. Instead we should begin to mix factories, residences, etc. – which is just as disastrous an attitude, but a way of getting out of the present situation.

The problem I have come up against very emphatically recently with our corporation in the City of Vancouver is with the highway freeway study that is being made by a San Francisco firm. We refer to Los Angeles and we refer to Seattle constantly as examples of non-cities, because the city that was once there has been removed for the automobiles to go through. It was definitely logical that if you wanted to build a good highway you had to remove all the things that were obstructions, which was, in fact, the city. This is the result of the specialist thinking that I refer to.

Unfortunately, all of us can do our own job very well. As architects we know a great deal about architecture. Highway engineers know a great deal about highway engineering. Sanitary engineers know a great deal about sanitation. But to allow any one of us a free rein in an area where a great number of parts, a great number of ideas and abilities have to come together, is sheer madness. And yet this is the way we perform with respect to the development of the city.

Suddenly we realize that there is a traffic problem, and therefore we go to one person who is a traffic engineer. He gets rid of all the things which are obstructions to free-wheeling traffic and, in doing so, virtually destroys the city.

I don't know how long it would take the city of Seattle to recover from its freeway system, but the city that was no longer exists. That is an intriguing problem to speculate upon.

It is interesting that in cities such as Rome and Paris and the older cities in Europe, also in Asia, Tokyo, they are doing these things but with a great deal more imagination, a great deal more respect for the city itself. Being more practised city dwellers they know more about it. So the highways are not elements which completely disrupt the city.

The highway is treated in Tokyo for instance as a building. Not in all cases, but in the more intelligent cases the highway when it comes into the city is treated as simply another building. It is not, perhaps, as perfect an engineering solution, but it is a very workable solution, and is a much greater asset to the city itself. Paris on the other hand is burying its freeway so that nothing rends the fabric of that most beautiful of cities.

One of our great tasks, then, is seeing the total situation; of bringing the demographer, the ecologist, the sociologist, the planner, the architect, the engineer, the technicians, who can bring differing views of the situation together and not be satisfied until in every respect the solution is a true asset to the city.

One should not, I firmly believe, commit a solution unless you improve a situation, and improve every aspect of the situation.

Too often we feel – and I think this is a North American trait, which comes from the fact that the pioneer had to clear the land; he had to destroy the forest to make things grow, and he got a complex about destroying things, and he got a complex about renewing things – we feel that if we can provide something new, something nice, shiny and bright, we have solved the problem.

Usually we have not solved the problem; but replaced it with another problem that probably will have worse consequences eventually than the original one. We seem to be unable to understand the importance of the city in human terms and to come to grips with it on this basis.

Also now we are beginning to trust our machines. We seem to trust those solutions which are arrived at through factual data analysis and this sort of thing. This is one reason why the computer is such a boon to the humanizing of our attitudes towards the North American city. Here we have a machine which can absorb and collect a great number of facts and data, much more than we could as humans, and this is beginning to undermine the narrow specialist attitude towards the phenomena of the city.

The role of the architect in all this is – well – I'm convinced that we really are no longer concerned with buildings as such. We are no longer concerned with appearances as such. This was an area that was of much concern to us about a hundred years ago, and certainly four hundred years before that – but in the early half of this century we began to be less concerned about appearances alone.

One of the early platforms of contemporary architecture you are aware of was functionalism. Functionalism was no more than an elaboration of the scientific attitude towards phenomena that required that one take things apart to find out how they worked. This has penetrated into our art forms and certainly into architecture.

This architecture was beautiful if it worked. As in a glass model of a human heart, if you showed all the different valves and how they performed and this sort of thing, this became of aesthetic value in itself.

But I think we are now moving into another stage which is much more important. This is to begin to question the actual meaning and importance of our institutions. By asking the question we are beginning to solve for the first time some of the great building problems that beset us today, such as housing, such as the office building, such as the university. We are beginning to make some kind of progress in understanding what these particular building phenomena mean in our civilizations, and to come up not with final answers but with statements of greater significance.

The Toronto City Hall for instance is a building that has given a great deal of pleasure and importance to the citizens of Toronto – this is simply because it was not just a building but something else as well. It offered a meaningful symbol which came closer to interpreting what the city hall should be to a city.

I am particularly concerned with this aspect of architecture, and I see evidence of it everywhere in North America and in Europe. There is a tremendous development and experiment in, for instance, the whole problem of housing for as yet we simply have not faced this problem. There was an experiment at Expo which was a very worthy experiment in its way. There are many equivalent experiments in Europe trying to find out just what is the problem of the human habitat in the twentieth century.

In North America it is very difficult to establish because so many other values enter into the human habitat. We have not had to face as yet the simple problems of overcrowding and shelter which are so critical in Europe and in Asia. So our approach to the house, our approach to the apartment building, has been again a very particularized and very narrowly functionalist one. This is why we have developed the particular human hell which is the modern apartment building.

Lin Yutang had a wonderful dissertation on this in which God was showing Man all the wonders of the world. But Man was not very enthusiastic. He showed him Niagara Falls, He showed him the great forests, the great canyons, the highest mountains, depths of the sea and so on. But Man only yawned until finally God became very angry and said, "Man, you can go to Hell", and so he condemned him to live the rest of his life in the contemporary apartment building.

The real purpose of architecture I think, as with any art, is to somehow interpret our environment to us. And again I will illustrate with the Toronto City Hall, because you are all familiar with it. It expresses its purpose to you in much stronger, I think more eloquent terms than almost any other buildings that have been built in Canada. And this is really what a building should show us: What *is* a university? What *is* an office building? What *is* the human habitation at this present time? What *is* our city?

The problem of the city is largely unanswered but we are beginning to face it. For instance painters, for the first time have been able to dip into the lore of the twentieth-century city, and to come up with op art, pop art, kinetic art, etc.

But what they are doing, you see, is really interpreting our environment to us and making it possible for us to get aesthetic pleasure out of our immediate circumstances. I think no matter how one appraises these new forms of art they are doing no differently than any art form has done any time in history – a mirror to reality. And this is the real role of the artist.

One of the great problems is that it is difficult for any artist, for any architect, for any planner, for any engineer today to keep within their terms of reference. If you are an architect by profession, I am not sure what you are supposed to do.

Are you supposed to build houses? Are you supposed to build buildings? Are you supposed to be involved in landscape, or traffic, or cityscape?

Our language has posed artificial strictures to our professions. These in themselves create barriers to our thinking. However, different organizations are being formed today so that the whole field of the human environment can come under the examination of a group of people which incorporate the many points of view that are required to face any problem today.

The architect has sort of one foot in technology and one foot in art. And he is really in most cases not very faithful to either. However, he tries his best, and I think he does have that one quality of having been involved in so many aspects of the physical environment and having been involved in so many aspects of the city that he has perhaps a great deal of sensibility towards it. With the team that we see converging to deal with the problems of growth and development of the city, this kind of human sensibility is one of the most important assets that we have to get back.

One of the most critical questions that we have to face in the near future is what is the North American city?

With respect to this question, I was in Ottawa a month or two ago. I was with some friends from Latin America who were very interested in the capital city. They were very curious about the parliament buildings and very distinguished in their own right. I took them afterwards, by accident, to the Sparks Street Mall.

These people had come from cities which have disastrous slums, inadequate sanitation, and things like that. I am sure that if I visited their cities or towns I would have been shocked at the sanitary conditions in some parts of their cities, but I cannot tell you the shock and the shame I felt over the Sparks Street Mall. This presumably was our kind of central square or market place. Rather than proper paving somebody had painted stripes across the street. There were hand-made wooden flower planters. There was a collection of indifferent looking sculpture and paintings. The whole thing was the shoddiest piece of urban design that I have ever seen. All right in a provincial town, but in the National Capital main street? I must say that the shame I felt about that was, I am sure, not more nor less than the shame they would feel about their overt slums and open sewers.

Now, this is just a different point of view, and I think one that we have to learn. After all, our whole approach has been, I think, not an open sewer approach but a sanitary approach. As a result they have magnificent city squares and we have excellent sanitation.

In North America, we have been preoccupied with organization to get our cities working. We have had so many problems in this respect – and this goes right back throughout North American history: that we have had to face always the immediate physical problems of getting things cleared, settled, working, etcetera. We really have not had time to look at things. If we have to somehow put a city together so that it looks well, we tend to do it in a rather haphazard way.

Certainly no South American and no Italian citizen would ever, even in the poorest town, put together the kind of mélange that I saw in our capital city.

Our cultural attitudes are different – were different – I hope we are changing, coming of age. We are beginning to get used to cities, beginning to enjoy them, even beginning in a reluctant way to love them. But we can't begin to love them until we first begin to look at them. Let us begin to see what we have seldom ever observed, our own peculiar environment.

Thanks of the meeting were expressed by Murray G. Ross.

NOVEMBER 30, 1967

Canada's New Status

AN ADDRESS BY The Rt. Hon. D. Roland Michener
GOVERNOR GENERAL OF CANADA

CHAIRMAN The President,
Graham M. Gore

JOINT MEETING THE EMPIRE CLUB OF CANADA
THE CANADIAN CLUB OF TORONTO

MR. GORE:

Today, November 30th, being St. Andrew's Day, it seems appropriate to salute Canadians of Scottish extraction by quoting a few lines from Scotland's immortal bard, Robbie Burns:

> "For thus the royal mandate ran,
> When first the human race began,
> The social, friendly, honest man,
> What'er he be,
> 'Tis he fulfils great nature's plan,
> And none but he!"

The quotation also serves as a rather fitting introduction to our special speaker today, His excellency Daniel Roland Michener, Governor General of Canada, who, throughout his distinguished career, has consistently exhibited the qualities extolled in the poem. As *Time* magazine has said, he has "displayed a distinctively unstuffy zest for meeting people that promises to make his term as Viceroy far more than a merely ceremonial success".

He was born in Lacombe, Alberta, on April 19th, 1900, and raised in Red Deer. His father, Edward Michener, was Leader of the Alberta Conservative Party and an M.L.A. for 10 years before being appointed to the Senate in 1917.

As a boy, our speaker already showed considerable initiative and enterprise. He kept two cows and sold the milk for pocket money. As a member of a troupe of Boy Scouts, he participated in the capture of a wanted man. Compiling a brilliant scholastic record, he graduated with a B.A. from the University of Alberta, and was awarded a Rhodes Scholarship which took him to Oxford where he acquired further degrees including one in law.

At Oxford he was also a keen participant in sports, particularly track and hockey, and one of his hockey teammates was Lester B. Pearson. Years later, he and Mr. Pearson teamed up again – this time on the tennis court. They entered the Canadian open tennis tournament as doubles partners but – alas – lost out in the first round. Back in those days they also carried on a lively debate about politics, but neither was able to change the views of the other. Mr. Pearson remained a Liberal and our speaker an equally staunch Conservative.

In 1923, he was called to the Bar of England, but decided to practise law in Canada. He was admitted to the Ontario Bar in 1924, operated a successful law practice on Bay Street, and was named a King's Counsel in 1943. That same year – perhaps recalling his father's political campaigns out West – he decided to carry on the family's political tradition. He ran in the provincial election as Progressive Conservative candidate for the old Toronto riding of St. David's – and lost out to a CCF rival, William Dennison, our present Mayor. In 1945, however, it was turn about. He ousted Mr. Dennison in that year's election and became Provincial Secretary in the Drew government.

He entered the federal scene in 1953 when he became the elected M.P. for the Riding of Toronto-St. Paul's. He was re-elected in 1957 and Mr. Diefenbaker, then Prime Minister, named him Speaker of the House of Commons – a position he held until 1962 when the Conservative government was defeated. At this point, he returned to his private business interests and managed them so successfully that he attained directorships in a number of major Canadian corporations.

He was recalled to public life in 1964 when Prime Minister Pearson cut across party lines to name him High Commissioner for Canada in India. He and his wife Norah resided in New Delhi until April of this year, at which time he was appointed Governor General of Canada.

Since then, the Micheners have played hosts to a steady procession of Centennial guests in Ottawa. They have also made a point of arranging trips outside the Capital to meet Canadians in other parts of the country. One such trip was a triumphant return to His Excellency's old home town of Red Deer, Alberta. There he discovered that it, too, has made progress. The area where he once pastured his cows is now filled with office buildings, shopping centres, schools, and homes.

We are gratified that he has included this Joint Meeting of the Canadian and Empire clubs in his itinerary. Over the years, Mr. Michener has had close ties with the City of Toronto and, at the last Annual Meeting of the Toronto Board of Trade, he was elected an Honorary Member in recognition of his distinguished service to the Board and to this community.

Gentlemen – it is now my great privilege to present to you – His Excellency, The Right Honourable D. Roland Michener, the twentieth Governor General of Canada, who will tell us about "Canada's New Status".

THE GOVERNOR GENERAL:

After some thought, I decided to speak

briefly today about Canada's "New Status", by which I mean Canada's standing in the world, after Expo, and all the other "happenings" of this Centennial Year.

No one will deny that these events have had a profound impact on Canadians at home, in their domestic feelings and attitudes, nor that they have also affected our international relations substantially. The interesting question is to assess the extent and permanence of the changes and to speculate about the consequence.

Speaking for a moment about the home front, I expect you feel as I do that Expo and the Centennial celebrations have been for Canadians from every part a deep emotional experience, an experience of *what* they are, and *who* they are, at this notable point of time in their history. They have felt – at least most of them – a sense of their collective achievement, as a great composite community of various peoples, and regions, working together for a common good.

These feelings, these sentiments, are surely no dream which will vanish at dawn. On the contrary, something of value has been added to the personality of individual Canadians, and to the corporate personality of Canada as a whole. It augurs well for our future, no matter what problems we may have to face at home – and Canadians as a whole are now facing the task of convincing some of the French-language Canadians that their centennial exuberance, which is just as great as any, even if it takes a different form, can find its full expression in the future within the framework of a bilingual federation.

However, I want to elaborate on the effects on our image abroad. I am sure you have followed them as I have, and I hope to add to your thoughts on the subject, only because, as Canadian host to our official visitors from abroad, I have had the opportunity to talk to them and to see their reactions.

Just a word about our place in the world before Expo and these visits – "B.C." one might say, "before Centennial". Our Secretary of State for External Affairs said this in a recent speech:

> "Historically, Canada's greatest problem was to project any image at all. When foreigners did take the trouble to look at us, the image was often uncomplimentary: we suffered from the sting of Voltaire's 18th century description of this land as 'a few acres of snow'. Later Edmund Burke called the province of Nova Scotia 'an unprospering, hard-visaged and ill-favoured brat'. In the 1920's we winced at Rudolf Friml's Mountie image in Rose Marie."
>
> ". . . The growth, in the past twenty years, in the knowledge and understanding of Canada abroad has been phenomenal and gratifying. New communications methods, a vastly expanded diplomatic service, a growing involvement in world affairs and foreign travel by our citizens, have all helped to sharpen the international image of Canada."

In recent years we have all been conscious that Canada has many friends and practically no enemies. Our record as a middle power, independent and influential but not decisive in world affairs, our freedom from the much echoed taint of imperialism, our role in peacekeeping operations under the United Nations, our devotion to the just settlement of international differences, and our substantial aid to developing countries, have combined to win us friendship and respect.

Whatever our standing around the world at the time we began to prepare for Expo and our Centennial celebrations, it was good enough to attract the co-operation and participation of 61 countries, representative of every continent, every political system and alliance, and every stage of economic development, with the exception of Communist China. I cannot think of any other country with the necessary resources to stage an international exhibition of the first class which could have enlisted the co-operation, at this time, of so many, and such diverse countries, some of which were not on good terms with each other.

Thus the stage was set for Canada to show herself to the world to the best advantage. It was a play in three parts. The *first* involved audience participation of the exhibiting countries, in the planning and production of the show. This brought architects, hostesses, artists and officials in vast numbers. The *second* act was the show itself, witnessed by fifty million visitors, of whom 26,500,000 are estimated to have been Canadians, 22,500,000 from the United States, and 1,000,000 from the rest of the world. The *third* act was played to official visitors. Sixty-one countries had agreed to exhibit at Expo, each of these had been assigned a National Day, and all had been invited to send an official delegation comprising the Head of State and his entourage. Only one country declined this invitation, although quite a number, for one reason or another, could not arrange for the Head of State to leave and had to be represented by others.

The visits began with His Imperial Majesty the Emperor of Ethiopia, the seemingly indestructible Haile Selassie, who arrived in Ottawa on April 27th. Calm and thoughtful, but energetic and full of interest in a better international system, for all his 75 years, he was accompanied by two ministers and ten other officials (and Lulu). The last to come was the representative of the Congo who, in contrast with the first, was a very young man of 28 years who had just received his appointment as Vice-Minister of Foreign Affairs two weeks before he left. Furthermore, he accomplished at the same time both a visit of State and a honeymoon for he had just been married seven days when he brought his bride to dine at Rideau Hall. Between these two visits, fifty other countries sent their representatives to Ottawa and eight others were represented on their National Day at Expo. This latter group included Tunisia, Malagasy, Chad, the United

Arab Republic, Mexico, and two very special friends: the United States of America and France whose Presidents were at Expo but did not quite make it to Ottawa – this time!

To appreciate the effect of these visits on the image of Canada in foreign lands, one has to recall that each party was made up of men of responsibility and influence in the governments of their own countries, whose views on Canada are therefore of considerable importance in the future. It is useful to analyse our visitors by categories.

Foremost amongst them were our gracious Queen and Prince Philip who came to visit Ottawa and Expo, The Queen Mother who visited the Atlantic Provinces, and Princess Alexandra who toured Western Canada.

Heads of State numbered 20. They included other royal visitors, namely, the Emperor of Ethiopia, already mentioned, Queen Juliana of The Netherlands, the Kings and Queens of Thailand and of Greece, the Prince Rainier and Princess Grace of Monaco.

Presidents came from India, Italy, Germany, Austria, Iceland, Israel, Rwanda, Ivory Coast, Ghana, Niger and Cameroun.

Other monarchs obligingly sent young and charming princes and princesses to represent them, notably from Belgium, Japan, Denmark, Sweden and Norway.

As might be expected, Commonwealth countries were well represented; monarchies: Britain, Australia, Ceylon, Guyana, Jamaica, Trinidad and Tobago, Barbados and Nigeria; republics: Uganda, India, Tanzania, Kenya, Ghana.

Communist countries included the Union of Soviet Socialist Republics, Czechoslovakia, Cuba, Yugoslavia.

Historically it is difficult to find any parallel for international visits on this scale. It is true that greater numbers of countries have sent their Heads of State on occasion to attend coronations, royal marriages, or funerals of great men and women, but these have been rare and limited by the event. The great movement to Canada was of six months' duration, and involved some thousands of men and women of standing and influence in the affairs of their own countries.

In general, it was my observation that all of our guests were pleased with their reception and the honours accorded to them. They came as friends, and well disposed towards us. They all departed with even warmer feelings, and certainly with a much greater appreciation of Canada and Canadians. All who had not been here before went back with a new sense of the achievements of Canada as a modern, scientific society, with the potential and destiny to become a really great influence and power in the world.

You may be interested in hearing the exact words of a few of the visitors:

The President of Italy, Mr. Saragat, said:

> "Our visit is an acknowledgement of the position of prestige which Canada, with political wisdom and farsightedness has achieved. . . . Certainly this Country has before it the destiny of a World power. One easily finds the premises and signs of this destiny in the immense size of its land, in its boundless natural resources and, above all, because of the lineage of its people, in whom the traditions of two great European nations converge, enriched by the addition of ever new immigration currents: We are happy to say that Italians number prominently among these."

Mr. Shazar, the President of Israel who came on May 21st, notwithstanding the approaching crisis in the Middle East. He said:

> "The one hundredth birthday of Canada as a unified nation is a festive day not only for the people of Canada, but for Governments and people all over the world. For the name and image of Canada shine brightly everywhere, standing for democracy in gov-

> ernment; integration of migrants from many backgrounds; development of natural resources for the sake of the common man; and last but not least, the search for justice, fair play, law and peace in international life."

Antonin Novotny, President of the Czechoslovak Socialist Republic, a tough Communist, but one whose eyes are not closed to changes going on in his own country and its attitude to the West, said that our "relations were assessed in a positive way by the two sides and that there is a will on both sides to continue to develop them. I am convinced that our relations have good prospects also in the future."

The charming Princess Christina of Sweden said:

> "In my country your hundredth anniversary has brought about a growing interest in and increased knowledge about Canada. We have appreciated the opportunities your Centennial celebrations have afforded of meeting our strong desire to expand the close and friendly relations between our countries by intensifying our contacts and exchanges of persons, goods and ideas."

The United States is a special case. In spite of our vast trade and other exchanges, it is difficult to penetrate much below the border. With Expo, we have finally made our mark. One of my Canadian friends in Florida told me that people there had very little idea of Canada, or even what it was. Since Expo, they all know.

What does one say about France, or perhaps more correctly, about its dominant President? Proverbially it takes an exception to prove a general rule. In fact it was an exception among the French-speaking countries, especially the new African Republics: Mauritius, Senegal, Togo, Algeria, Niger, Cameroun, the Congo, and Côte d'Ivoire. Their Presidents and Ministers were cordial and appreciative visitors who were at pains to express their satisfaction with the success that Canada had achieved in uniting its diverse elements.

Where do all of these events leave us, when the show is over and the last spectator has gone away? It is a matter of opinion. I express my view that Canada stands higher than ever before, in the esteem of other countries, not only of its allies and its associates in the Commonwealth, but of most countries.

This is very right and proper. We are a good international citizen worthy of trust and capable of leadership. We do have a great potential. If we can preserve our collective strength and identity – and I am sure that we can – we are destined to be a more powerful and a more influential state.

With power and influence come responsibility and opportunity. There is much to be done to combat hunger, disease, poverty, and ignorance which threaten the peace as much as territorial and racial disputes. The future of the United Nations itself is related to its ability to make an increasing effort to reduce the glaring disparities in living standards which mark our times.

Man has still to be saved from his own folly, and by man I mean all men, for I am convinced that, in the long run, our species will have a common fate, be it good or bad. Let us not become obsessed with pride in the reputation we enjoy in the world, nor too modest to make the full contribution of which we are capable.

Thanks of the meeting were expressed by C. J. Laurin, President of The Canadian Club of Toronto.

DECEMBER 7,
1967

Tax! Tax! Tax! – The Canadian Tax Scene

AN ADDRESS BY F. Eugene La Brie
NOTED TAX LAWYER

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

The five per cent surcharge on income tax announced last week by Finance Minister Mitchell Sharp may not be calculated to win many friends, but its influence on most Canadians is undeniable. Palatable or not, income tax is a fact of life in our society. Yet, although we are familiar with its effects and apparatus, and may even have resigned ourselves to its necessity, how many of us completely understand its origination or its legal framework?

One man who has made not only a point, but a profession, of endeavouring to know all there is to know about income tax is our speaker today, Francis Eugene La Brie, an eminent barrister and solicitor in the City of Toronto, a member of the Alberta Bar and the Ontario Bar, and internationally known tax consultant.

Mr. La Brie is the author of such books as *The Meaning of Income in the Law of Income Tax* and *Introduction to Income Tax Law, Canada*. He has also been associated with numerous legal publications including *The Canada Income Tax Guide*. Apropos of my opening remarks, I quote the following lines from the publisher's description of Mr. La Brie's book *The Principles of Canadian Income Taxation*, published in 1965:

> "As the title of this book implies it is a discussion of the principles, both legal and non-legal, that underlie and pervade the vastly expanding topic of Canadian income taxation and of the variety of problems that inevitably arise out of any attempt to impose a high level of tax on incomes."

Our speaker was born in 1920 at Roselea, Alberta, where he spent his earlier years on his father's farm. He graduated in arts from the University of Alberta, then enrolled in the university's law course where he won graduate fellowships that enabled him to take further degrees in law at the University of Toronto.

Mr. La Brie was a member of the Canadian Tax Foundation from its inception and has served on Foundation study groups. He has also been associated with the Canadian Institute of International Affairs and the Canadian Institute on Public Affairs.

From 1945 to 1963, he was a member of the Faculty of Law at the University of Toronto. As editor of that university's *Law Journal*, he once wrote an article on the subject of "Tax Avoidance and Evasion". . . . In case that last statement stimulates any misconceptions, I hasten to add that the article was a very formal and *legal* dissertation on the subject.

Our speaker is married and has five children. He maintains an office suite in the Sun Life Building, Toronto, but resides in Pickering Township where he also engages in farming – a not-surprising activity when we remember his farming years as a youth in Alberta.

From all this, it is obvious that in the person of F. Eugene La Brie, we have with us an outstanding legal mind, author, and specialist in the field of taxation. It is my pleasure to present him at this time. Mr. La Brie.

MR. LA BRIE:

My topic, the present Canadian taxation scene, is one of my own choosing and, as you will readily recognize, its a topic of the utmost breadth, leaving me with liberty to range over a very wide area of present government and public administration in Canada. In the time at my disposal, I should like to place before you my own point of view on matters of taxation in Canada together with my reasons for adoption of that point of view. I realize that I must be efficient with words if I aim to succeed in communicating with you and in not wasting your time here; and in furtherance of that end, I have done what I rarely do. I have reduced my remarks to the form of written presentation. I do not like reading written oral presentations. The written word and the spoken word are distinct forms of presentation. As a former teacher, I fully realize that the spoken word can be much more effective. In order to teach, you must catch the mind off guard. The devices are many, including humour, mental embarrassment and other techniques of suggestion. Today, I shall make no attempt at any of these things. I shall put my own views clearly before you. Again, this is a departure from my former practice as a teacher, mainly because I did not consider my views relevant to the function that I was then performing. The function of a teacher is not to indoctrinate but to encourage thought. This is a fundamental that few teachers realize; and that is the tragedy of modern education in Canada. Accordingly, if there are any of my former students in this audience, I beg of you not to be shocked or disillusioned by what I am about to say to you today.

I have spent no large money on extensive research into the facts and details of taxation. Neither have I submitted taxation to investigation aided by modern technology and automated analysis. Moreover, no new laws have been enacted to await my legal analysis. Yet I feel at home at this task. I view law much more broadly and place much less restriction on the legal range of enquiry than is commonly accepted by lawyers. To me, there is but one social science and that is law. At an earlier day, when the educated man took all learning as his province, the law comprised all of what today is generally classified as the arts and social sciences. I regret that lawyers ever permitted legal training to be concerned with anything less than that. Our social sciences of today are undisciplined, are vague and meaningless in their content, so that any wisdom they have evolved is little used. The study of law deals with real existing situations and calls for decision-making, either in the form of general edict or specific direction, and it is only in this context that knowledge becomes meaningful and challenging. We speak of this ability to meet specific situations as being realistic, as being practical, or as being non-academic, or down to earth. By whatever name we describe it, the problem is the same – that of translating thought, reflection and factual knowledge into action, the problem of passing judgment. Today modern education has provided us with information, analysis, theory and logic. But we are lacking in judgment. And, in brief, my message to you today on the approach to present tax reform in Canada, is that it is lacking in judgment.

The main item of interest on the current tax scene is the report of the Carter Royal Commission on Taxation. These commissioners were asked to inquire into and report upon the incidence and effect of taxation imposed by Parliament and to make recommendations for improvements in the tax laws and their administration that may be consistent with the maintenance of a sufficient flow of revenue. The commission was well financed and powerfully staffed and finally reported in a six-volume, 2600-page report after 4½ years of work, aided by a staff of 150 lawyers, accountants and economists at a cost of 3½ million dollars. From the very first announcement of the report, it became obvious that the commissioners paid little attention to the limitations in the terms of their reference. The commissioners were drawn by theoretical considerations (not, I am sure, by the briefs and hearings) to the point of recommending not only improvement, but practical abandonment of the present system of federal direct taxation. In their enquiry, they were led to consideration, not only of dominion taxes, but of provincial taxes, and to making recommendations as to taxes that should be imposed by the provinces and the balance that should exist between federal and provincial taxation. Finally, in their ardour for reform, they were moved to comment upon the need for enquiry into the area of government expenditure, particularly in the area of social services. Indeed, at the recent Canadian Tax Foundation Conference in Montreal, Mr. Harvey Perry, one of the commissioners, is reported as saying: “One of the recommendations the Carter Commission nearly made, but didn’t, is that one of the very earliest exercises in reviewing programmes should be in the area of social welfare. I believe that, in one of our drafts, we had included such a recommendation and later we decided it was none of our business. However, if any part of our present government financial structure comes even close to competing with the tax system for being unplanned, ramshackle and jerry built, it is social welfare. Welfare is a No. 1 subject, following taxation, requiring an immediate and complete overhaul”.

I am not concerned with the fact that terms of reference may or may not have been exceeded. Some of the world’s greatest achievements have been carried out in defiance of orders. What more concerns me is that in my opinion, the breadth of the commssioners’ actual investigation was still insufficient to justify the recommendations that they made. If we accept the major premises, i.e. the first few pages of the report, the conclusions and the reasoning in support are satisfactory reading. The report is essentially a lengthy study on the subject of tax equity.

The conclusions of the commissioners on the questions of incidence and economic effect that they investigated may be wholly sound. I have no reason for doubting most of them. But as it stands, the commissioners' report is in the nature of an intensive study more becoming a university research centre, tax institute or tax foundation than a royal commission of enquiry charged with the responsibility of making recommendations for the passage of law. The conclusions may be sound, yet the recommendations are bad. Despite the finality of the commissioners' recommendations, I am inclined to the view that what now is necessary is a further enquiry into the question of what should be done with present tax laws.

Turning now to the commissioners' proposals, we find basically the recommendation of a complete transformation of the Canadian tax system, designed mainly to achieve "equity", by which the commissioners meant taxation according to the ability to pay. The underlying principle is "from each according to his ability to pay". The main proposal in support of the ability to pay principle is that of adoption of a comprehensive tax base. To me, it is inconceivable that the adoption of a comprehensive tax base founded on the principle of ability to pay can be recommended as a basis for raising government revenue without a complete enquiry into the purpose for which the revenue is being raised, that is to say, into the question of government expenditure. We might even there find a similar principle of equity as emerging. The commissioners appear to take for granted that taxation may be justifiably imposed in order to effect a redistribution of wealth. It might very well be that this redistribution should be governed by the principle of "to each according to his need". The principles of "from each according to his ability and to each according to his need" may be sound principles in themselves and completely above attack. They may even represent the Christian ethic. Yet we are dealing here with private conscience and it is well known that this type of ethic is far from receiving universal acceptance and is even further from being the prime motivating factor in human conduct. Accordingly, to the legislator who sits in parliament, this form of recommendation is of no value, except insofar as it may cause him to reflect on whether his own life is being run on proper lines.

Beginning from the concept of equity, the report of the royal commission proceeds to construct an entire system of Canadian direct taxation. Ability, it is reasoned, means financial ability of every nature, and the persons whose ability is to be measured mean only real, live persons who, in the final analysis, are the taxpayers who pay tax. We believe, say the commissioners, that equity is achieved when individuals and families with the same gains in discretionary economic power pay the same amount of tax. By economic power they mean the power to command goods and services for personal use. By discretionary economic power, they mean the residual power to command goods and services for personal use after providing the necessities of life and after meeting family obligations and responsibilities.

In constructing a tax system from these principles, the commissioners found themselves at various stages in the situation of having to depart from them. The commissioners' report has even been criticized by some observers as being inconsistent by reason of these departures.

One of the principle departures is the commissioners' advocacy of progressive tax rates. Having proceeded to construct an equitable tax base in terms of discretionary economic power, the commissioners proceed to tax it at progressive rates. Obviously the equity here applied is no longer the tax base, or amount of wealth gained. Rather, it is the amount of discretionary economic power that remains after tax. The fact that these progressive rates are recommended to apply equally to all taxpayers does not deny that this feature of their proposals is developed from a different hypothesis and theory of equity. Moreover, this hypothesis was apparently adopted without investigation. Progressive tax rating must surely proceed from the assumption that the distribution of wealth effected by the present economic laws is not equitable. The higher a man's annual gain in wealth, the greater the degree of unfairness in the mode of its acquisition, requiring adjustment. Is this true? If A gains more than B, is the difference necessarily inequitable? Perhaps, on analysis, the difference will actually be found to be insufficient. If the present system of distribution may err in one direction it may equally err in the other. Judged from the standpoint of A's and B's skill, ability, contribution to society at large, the difference may be too small, in which event progressive tax rates aggravate an already inequitable situation.

The family is recognized by the commissioners as a tax unit, a departure from the concept of a living taxpayer, which idea precluded recognition of other companies, such as business partnerships, co-operatives, trusts, corporations, and so on. Obviously, the commissioners show preference here. This choice is understandable. Togetherness is part of modern folklore. It may actually promote a slogan – "the family that pays together stays together".

Similarly, we find concessions in the area of liberal education allowances by way of reduction of tax base, education being an unexceptionable and unchallengeable ideal of modern times. The same may be said of the concessions to savings plans.

Some of the commissioners' departures are strikingly amusing, for instance the total inclusion of gambling gains and exclusion of gambling losses only in reduction of gambling gains. The practicality of the commissioners is unmistakable at times, for example in omitting to suggest a $25.00 per day limitation on the deductible living costs of members of parliament.

Other recommendations are as decidedly unrealistic and narrow of outlook, for example the imposition of the burden of an accrual accounting on small businesses, particularly on the farming community. Why cannot gain be measured by any standard, so long as it does not escape measurement? Another foolish exception from the comprehensive tax base denies taxpayers a deduction of business losses after the business has incurred a loss for more than three years. Most of the small businesses in Canada, whose capital is owned by the operator and whose labour is the labour of the operator, clearly do not qualify as profitable businesses. They contribute no income tax on the annual value of their investments and the annual value of the labour applied to them. Yet under the present proposal, entry into these businesses is penalized except where they are privately owned and operated.

The commissioners' conception of economic power as meaning the power to command goods and services for personal use is carried logically at times to the point of absurdity. Consider for example the question of giving, by which the amount given is not deductible from the tax base of the donor, because it supposedly represents a form of consumption by that donor or personal use by him of his funds. But even if we are persuaded to accept that proposition, we are now confronted with a proposition that when giving upon death, where there is no choice except as to the identity of the donee, there is no reduction in the tax base of the decedent in the year of his death, he being treated as having consumed it upon his expiry. Moreover his unrealized property gains are swept into his tax base at that moment.

But these and other exceptions, such as they are and remain, do not question the idealism that underlies the general report. They simply illustrate that the commissioners themselves are capable of abandoning consistency where expediency dictates. In truth, they did very well in demonstrating the inadequacy of a logical approach to taxation, bearing in mind that they do not have to stand for re-election every four years.

But more fundamentally, I should like to take exception to the concept of equity expanded by the commissioners as the basis for their proposed structure. The idea of a comprehensive tax basis is not new. It has been expanded by a number of German writers on the subject of income and in the United States was put forth by Henry Simons, an economics professor at the University of Chicago, in his book called *Taxable Income* which appeared before the last war. The concept of a comprehensive tax base on all forms of gain may very well represent a fair situation where the tax rate is small as it was before the last war. But when you enter an area of taxation rising to 50 per cent, in which a major part of the government programme of expenditures is free redistribution, the commissioners' concept of equity breaks down, simply because the effects on motivation, both on the taxpayer and the recipient under redistribution are too significant to be ignored. A sounder guideline would be taxation consistent with the principle of providing the widest opportunity for advancement in the fullest exploitation of each citizen's own ability. Such an enquiry, as I have already indicated, would require examination of the entire area of government.

Another related defect of equitable taxation, as meaning contribution according to discretionary power to command goods and services for personal use, is that it disregards the human and resource expenditure side of the income account. Surely, there is no comparison between $20,000 received by way of interest on wealth that has been inherited and $20,000 received for long hours spent in the expenditure of physical and mental effort in the performance of an assigned task or, by way of even further contrast, for the loss of a leg in a motor vehicle accident. Again, where rates of tax are nominal, these differences can be ignored. Where tax rates rise progressively and rapidly, too much emphasis is automatically shifted to the manner of seeking gain. This is a serious fault of the present system of income taxation despite amendments to compensate. The commission, in eliminating those differences of income treatment that have been deliberately introduced in our present system, arising out of considerations of social desirability, economic need, personal circumstance, etc., simply serves to give that fault emphasis.

Surely, in examining equal income situations from the standpoint of equity, we are entitled to ask (a) How hard did each man work? (b) What is the duration of each man's pace? (c) What risk, personal or financial, does each assume? (d) What contribution does each make? (e) To what extent has the gain of any man been adjusted to the impact of the tax, i.e. has the tax been passed on?

By way of further criticism of the comprehensive tax base, I submit to you that equation of the situation of wealth exchanged with wealth produced is unacceptable. This equation arises from the definition of the tax base as meaning the power to command goods and services for personal use. There is something naïve about this approach to the concept of income. Beyond the equivalent of $25,000 a year, this definition is meaningless. Annual wealth beyond this amount has no practical relation to the power to consume, but is more likely to relate to the desire and the power to produce and to the control of that production. Proponents of the Carter Commission definition would likely agree with this observation, but would point out that this form of exercise of power is in reality a form of consumption. But if the exercise of power is to be regarded as a form of consumption, then it is proper to observe that the Carter definition of income ignores the exercise of power in any form other than the control of wealth. Consider for a moment the power exercisable by a trade union leader, by a cabinet minister, by a prominent clergyman, by a professor in a university, by a senior civil servant. It is readily recognizable that wealth is but one form of power and a great deal could be said for discriminating in favour of this form of power and not against it. I would suggest to you that no form of power in present day society is under more open competition than monetary power. There are two generations, it is said, between shirtsleeves and shirtsleeves, and while we all know that this principle does not hold universally true, the fact does remain that no medium of exercise of power is more closely contested. It may therefore be queried whether the ownership of money in greater quantity than the annual ability to consume should be subjected to the degree of progressive control proposed by the Carter Commission. Private accumulated wealth has been known to be eliminated in a number of present day societies, and, indeed, not without justification. But no one would suggest for a moment that the power that was exercisable by money has there disappeared. It has simply been replaced by control in some other form. The accumulated wealth in private control is simply one of the forms of power that is built into the balance of our present system.

Similar innocence is evident in the arguments of the Royal Commission that corporate and individual tax integration should be acceptable and welcome to Canadians because it reduces the over-all tax from what it would be now. The present corporate taxpayer is not concerned with the tax over-all. Again, wealth means the control of wealth. Money borrowed is as valuable as money owned. At present, small incorporated businesses can obtain the control of money on the payment of slightly over 20 per cent tax. Under the proposed system the rate is 50 per cent, subject, of course, to adjustment where income is distributed or allocated, the adjustment being made with the shareholder and not with the corporation, the corporation being out of control.

The income adjustment account proposal is equally unrealistic. Gains of large size, it is proposed, may be free of tax if paid to the government, to be held without interest and in completely unassignable form, to be taxed in the year of withdrawal at the taxpayer's will. Why not tax at 100 per cent, on condition that the full tax may be borrowed from the government by the taxpayer on terms of interest and repayment, the amount repaid to be included in income in the year of repayment, tax then recalculated, and the amount remaining after tax returned to the taxpayer? The proposal, as it stands, encourages taxpayers to go on a capital annuity – a result not to be encouraged in my opinion.

In brief, I submit to you that the Carter logic is carried too far and that the definition of the tax base is patently naïve. I would suggest to you that taxation beyond the level of ability to consume simply deals with a transfer of productive control from private hands to state hands, and it cannot be made to appear as anything else. Further, in the interest of applying a broad wisdom to the problems of this nation, emphasis today is truly needed on regulating and guaranteeing the conditions surrounding private acquisition in Canada and not on its progressive elimination.

Another well-known consequence of the application of the Carter Commission conception of equity has been the inclusion in the tax base of capital gains and losses. I object to this inclusion of capital gains and capital losses in the tax base along with income for the very practical reason that it creates an unstable tax base, and one that is completely unworkable and, even if implemented, would not long survive. Even the slightest recession, such as we have often experienced in the past few years, can eliminate billions of dollars from the value of securities listed on even the Toronto Stock Exchange and can cause an immediate decline in the value of other forms of capital whose values are not so prominently listed. At the cost of mere brokerage fees, a selling and a buying, this entire loss can be shifted to the tax base, thereby eliminating by offset billions of dollars of earned income. This even occurs at the time when the tax base is most needed, particularly if income tax is a useful method of fiscal control of the economy. (However, I do not believe that income tax is normally of any value for that purpose). Aside from this question, however, the main defects of the system can be eliminated by taxing capital gains separately, and this, I venture to predict, is the situation that will prevail if capital gains taxation is introduced.

I should like to go on record as stating that I am opposed to the taxation of capital gains in any form as being totally unacceptable in this country at this time in terms of the general welfare and interest. In fact, I will go further and suggest to you that serious reconsideration should be given to the practice of taxing transfers in capital, with or without gains, at the present time, by way of succession duties and gift tax. As you are well aware, the government of my native province of Alberta is striving toward their total elimination. My own inclination would be to eliminate capital taxes on outright transfers, except in regard to transfers made on death, and transfers made in contemplation of death, my reasoning being that so long as wealth is being shifted from outright control of the older generation to outright control of the younger generation, there is no need for intervention. The notion that a dollar is a dollar is a false one and is universally rejected in private life. The expenditure of money from current earnings and the expenditure of money from accumulated savings is universally recognized as different. Nations are but individuals at large. Essentially, Canada is a primary producing nation, living on the wealth of substantial natural resources. This wealth is distributed directly and indirectly within a population that is relatively small. Since the war, we have made progressive income taxation a permanent feature of this distribution. With the passing of federal war-time expenditure, we have witnessed a gradual intrusion by the federal legislation and administration into the area of social services that had been regarded as the function of the local community. This expansion of federal responsibility has been carried out under two banners, one of them the regional redistribution of wealth between regions of unequal opportunity in Canada, and the other the establishment and maintenance of a Canadian national identity. Under the Carter proposals, produced and unconsumed wealth is to be subject to a continuing lien, calling for payment in the event of its transfer and realized growth. In this way, the rate of tax on the low- and middle-income classes can be reduced, it is proposed, giving them a higher level of expenditures. In brief, even accumulated wealth is now to be applied to consumption. A nation that chooses to live from its capital resources, like an individual in like circumstances, finds itself in a very vulnerable position. New nations and new continents are today being opened up to resource development. Capital knows no loyalty, no citizenship, no patriotism. It is extremely unlikely that any nation that deals so unimaginatively with its natural endowment will ever succeed in preserving that endowment and, indeed, there is some sound moral basis for urging that such individual or nation, as the case might be, should not so succeed.

Yet there is considerable likelihood that capital gains taxation will be introduced in Canada. To begin with, the general public in Canada look favourably on the redistribution of wealth and show considerable hostility toward accumulated wealth. We are concerned with the idle rich, regardless of evidence as to whether the rich are idle, and we distrust the use made of private money without regard to evidence that private money is truly in this day being misused and misapplied. Also, many wealthy taxpayers are today discouraged at having to pay the present high progressive rates of income tax on capital gains. The Carter Commission proponents have made great use of this phenomenon in defending their proposal. This defect could, however, be eliminated by simply legislating to exclude capital gains from taxation and to provide expressly that capital shall have the same meaning in this context as in the context of excluding capital losses from deduction. Present injustices arise from the fact that the courts have different meanings for capital, and in particular have a different meaning for capital gain and capital loss. Moreover, if these two meanings were equated the present administrative enthusiasm for expanding the meaning of income to include certain capital gains would rapidly diminish. Some support for capital gain taxation is generated by the fact that the United States taxes capital gains and so, for the past few years, does Great Britain. The differences in the economic scene prevailing in either of those countries is so obvious as hardly to require elaboration. Yet the idea does persist that Canadians must follow where foreign wisdom has dictated. Not the least of the forces at work in support of capital gain taxation is the prelevant idea that change is a good thing in itself. Very often there is no due consideration of the direction that such change might take, or of the consequences that are likely to follow.

Finally, there runs through the report of the Royal Commission on taxation an element of absurdity that cannot escape attention. I should mention a few examples. For one example, it has been said that because the tax base has a logical structure, it reduces the number of construction difficulties requiring high-priced legal and accounting talent. Another, it is said in defence of the report's proposals that the taxation of transfers in wealth and gains in wealth is offset by tax concessions and reduced taxation on the taxpayer during the process of accumulation (integration, reduced rates, etc.). What, it may be asked, is the compensation for the taxpayer whose wealth has been accumulated under the older rules and who now finds his accumulation taxed by the new rules?

Again, far-reaching proposals were recommended for sweeping all gains from natural resources, including presently discovered resources, into the tax base. Much of the proposed reduction in rates depended on this feature and, hence, the proposal that the report must be implemented as a package deal. Clearly, we are here in the area of negotiated tax. My own concern is not with the owners of natural resources. The struggle lies between two strong forces, each capable of affecting and influencing the other. I do have some concern for the impact of the commission's proposals on the distribution of natural-resources wealth between the provincial and federal governments. Here I refer to the fact that an increase of federal taxes must certainly reduce royalties and sales where provincial property is put on an auction basis for distribution. I am also concerned with the commissioners' observation that some natural resources have been explored and discovered to the commissioners' point of satisfaction. They show no great concern for imposing new rules to the taxation of resources that have been discovered through expenditure laid out in reliance upon the old rules. Most assuredly, everyone must be prepared for the interventions of government to effect change in the laws, but changes of this nature can be damaging beyond the extent of the benefit that may seem to flow from this logical extension of a principle of equity.

The greatest absurdity in the entire recommendation of the Royal Commission lies in the suggestion that adoption of a broad tax base will result in reduced taxes at the lower level. This may be described as the political content of the report; and it is of great importance if there is to be any hope of its introduction. Last Thursday night, the Minister of Finance stated, in presenting his budget: "In the first place, it must be recognized that our tax reform programme must be undertaken under circumstances quite different to those contemplated in the terms of reference of the Royal Commission and its work. The commission was designing a system to raise yearly revenue comparable to that of 1964. Clearly, we will need a tax system in 1969 and subsequently, which will produce more revenue than that of 1964 – even after allowing for the growth of our economy since then and a consequent increase in prices and incomes within our federal revenues." In brief, the Royal Commission's major promise is already exploded. The government has reneged.

A feature of the Carter commission report that I regard as ill-advised for reasons not even mentioned in the report is the overwhelming requirement for tax reporting. If the recommendations were ever implemented, every feature of the economic life of every indvidual and organized group of individuals in Canada would be fully reported, fully recorded and fully data-processed in Ottawa. That includes all exchanges of wealth and exchanges of benefits both in monetary and non-monetary forms. I should like you and the Royal Commission on taxation to bear in mind that in this country there are no constitutional guarantees for infringement on human liberty. In recent years, I have seen enough of the uses that can be made of government information to turn my mind against the vesting of a complete inventory of everyone's activity in a central government charged with ultimate power and ultimate force.

An interesting feature of the report is the finding that the present tax structure is inequitable and that the present burden falls on the lower-income and lower middle-income groups and not on the higher-income taxpayers as one might expect. Within a year after the appointment of the Royal Commission, the Parliament of Canada moved to correct abuses in the present system by the introduction of section 138A and, by the use of ministerial discretion, to cure income splitting through non-associated co-operations as well as avoidance of the shareholder tax on corporate accumulated earnings. I repeat that this was done by use of discretionary power and would further point out that the Minister of National Revenue was at about that time made Chairman of the Treasury Board, that is to say, head of the board that sits to determine the question of when thoroughly legal tax avoidance is improper and how it should be defeated, pursuant to section· 138 of the Income Tax Act. United States tax experts have long and repeatedly pointed out that the United States capital gains tax has been so used as to place less tax on the wealthy than is actually endured by the less wealthy – a result totally opposed to what was intended by the introduction of that tax. The reality may be that, in our free economy, the distribution of wealth is established by certain forces – of collective bargaining, of monopoly and semi-monopoly, of shortage, of surplus, of world markets, of advertising and goodwill, of uniqueness of service and speciality of skill. It is my suggestion to you, for your earnest consideration, that the imposition of progressive income tax to achieve equity, as envisaged and defined by the Carter Royal Commission, cannot be achieved in a free capitalist society that recognizes private ownership. It may even be that the illogical departures, unjustified concessions and other items condemned by the Carter Royal Commission actually represent those features of the present high and progressive tax system that have enabled it to survive. Income tax may be largely built into our present price structure.

The truth, ladies and gentlemen, is that equity does not have to do with the raising of revenue, and I am disappointed that the Royal Commission held such a magnified view of the importance of the topic with which they were dealing. It is symbolic perhaps of the society in which we live and the emphasis that it places upon material wealth. I would submit to you that equity is a product of civilization. The forces of equity are the forces of human sympathy and understanding. Insofar as equity is reflected in government, it must arise out of the feeling of community among those governed and between them and the governing body. If equity is lacking in the Canadian tax structure, it is lacking because of the absence of that community of interest, of value and of judgment; and any attempt to achieve equity by radical changes in taxation is a treating of the symptoms of maladjustment and not the causes. I further submit for your consideration that, in relation to these direct taxes which are so difficult to administer, questions of fairness must relate to the community governed, whose acceptance of what is fair may very well differ from that of another community. Moreover, as I have already mentioned, fairness and equity are concepts that relate only to the entire area of government, not merely to the revenue side. Whether the tax is fairly imposed to raise revenue depends upon the choice of where the revenue is to go, of whether it is intended to provide universal health care, or to generate improved housing, or to provide capital services to new industry. These are judgments for the community at large.

In brief, equity in taxation becomes a matter of property and civil rights and generally of a local or private nature. The British North America Act, 1867, clearly intended that these direct taxes, these personal taxes, should be imposed at a local level, and indeed, they did originate there and for all practical purposes continued there until the Second World War. I should like to see them restored and the question of equity resolved at the local level. I say of Canada's enquiry into equity by a Royal Commission on taxation that the enquiry has started at the wrong end. Enquiry should first of all relate to the question of what is to be expected of government. When that is resolved, the question of how the money can be raised can be examined against a definite and conclusive background. But the enquiry into the role of government will depend, in turn, on a division of responsibility between local government and central government and there, in my submission, is where a solution to our present problems has to start.

I now submit the following definite proposals in this regard, all of which should originate by Dominion-Provincial agreement toward a constitutional convention:

1. Federal income taxes and death taxes should be levied at a flat rate of tax and the entire proceeds from these taxes, less the cost of administration, should be distributed among the provinces by way of unconditional grant.
2. The imposition of further income taxes, death duties and any other direct taxes should be confined to the provincial legislatures.
3. The spending power, both of the provinces and of the government of Canada, should be restricted to those areas over which they entertain legislative powers and jurisdiction for direct control.
4. Provincial legislatures should impose no indirect taxes or sales taxes in any form.
5. During times of national emergency, all restrictions on dominion taxing powers should be suspended.
6. There should be created a dominion-provincial legislative council, made up of eleven men appointed by the governor-in-council of each of the ten provinces and the dominion. They should meet at least annually and whenever summoned by three members, decisions to be made by majority vote.

The jurisdiction of this council should extend as follows:

(a) to establishing of the annual, flat, federal rate of income and death taxes;
(b) to determine annually the allocation of net federal income and death tax revenue among the provinces;
(c) to declaring the beginning and end of periods of national emergency;
(d) to appointing justices to the Supreme Court of Canada.

To my mind, the most encouraging development on the Canadian scene of public affairs in many years has been the Quebec separatist movement. We have in this movement a most seriously sustained challenge to complete federal domination of this country. For a time it was my fear that the restless attitude of Quebec province would be interpreted by the rest of Canada as being one of concern over language, religion and culture. Certainly such is not the case. The true separatist is quite prepared to abandon the migrant French Canadian to absortion in the American culture that surrounds him. The true concern of Quebec province is with matters that should concern all provinces. Ontario's Premier Robarts, it seems to me, has done much to bring about recognition of this state of affairs; and for this service great credit is due to him.

One thing further. Do not be led into the belief that centralization of government power in Canada is a condition precedent to a strong nation and a healthy nationalism. On the contrary, national survival in our present circumstances is dependent on a strong local sentiment. There is no Canadian national community nor is there prospect of any. And when Canadians have been led to the point of abandoning local pride and loyalty for the reason that more money is obtainable federally, they will then have reached the point of recognizing that still more money is to be had in Washington.

Thanks of the meeting were expressed R. Bredin Stapells, Q.C.

DECEMBER 13, 1967

Christmas Meeting

CHAIRMAN The President, Graham M. Gore

MR. GORE:

Your Honour, Ladies and Gentlemen: On behalf of the members of the board of directors and all of the members of The Empire Club of Canada, a very sincere and warm welcome is extended to Your Honour to our annual family Christmas party. All of us look forward to your presence with us during the year, and especially at this season. Ladies and Gentlemen, our Honorary Vice-President, the Lieutenant-Governor, represents our gracious sovereign in the Province of Ontario with great dedication and distinction, and willingly and loyally supports our Club.

It is always a pleasure to welcome Mrs. Rowe to our gatherings, and we are especially pleased that she could be with us today.

(His Honour, the Lieutenant-Governor W. Earl Rowe, P.C., made a suitable reply.)

Mr. Bredin Stapells, Q.C., presented a bouquet of roses to Mrs. Rowe.

The head table guests were presented, following which Mr. Gore continued:

You will have observed that I refrained from presenting to you one of our head table members. I now propose to single out that member for special mention. He is Mr. Bredin Stapells, Q.C., Immediate Past President of The Empire Club of Canada. During his year as President, he performed his duties with dignity, with honour, and with zest. He created an atmosphere at our meetings which was dynamic and vibrant. He was also Chairman of the Speakers' Committee, and from his efforts we were privileged to hear outstanding addresses from many distinguished speakers. He gave generously of his many talents and his time, in spite of the fact that he was practising the profession of law, and was also a Commissioner of the Ontario Committee on Taxation, the report of which was recently presented to the Provincial Government.

Bredin (Mr. Stapells), I ask you to accept this illuminated scroll, signed by our Honorary President, His Excellency The Governor General, which records your period of service to our Club. This is presented on behalf of the members of the board of directors and the entire membership of The Empire Club of Canada.

Now, Mrs. Stapells, we know how you kept Bredin at the job last year – how you took coffee to him late Wednesday nights when he was preparing for the Thursday meeting; how you patiently listened to his troubles when speakers, at the last minute, had to cancel the appointment; and how you contributed in so many ways to the successful operation of the Club. I thank you for your tremendous support to Bredin, and just because the members like you so much, please accept these flowers with our best wishes.

(Past President Stapells graciously expressed the thanks of himself and Mrs. Stapells to the meeting.)

It is my privilege to extend a welcome to the wives and friends of our Club members. I hope you enjoy being with us as much as we enjoy having you. For those guests who are here today for the first Christmas party, we give you a very special welcome.

Today we have with us a very special group of ladies who are responsible for much of the secretarial work associated with Empire Club committee activities. Without their help so willingly and enthusiastically given, our Club could not operate successfully. To these ladies I say a sincere thank you for your many hours of labour so freely given during the year.

The year 1967 is not not only Centennial Year, it is also the year in which the Toronto Men Teachers' Choir is celebrating a quarter century of existence. And that choir is here today to add to the pleasures of our Empire Club Christmas party.

The Toronto Men Teachers' Choir, which is composed of teachers and other educators from Toronto, has received recognition in both Canada and the United States, and this year performed at Expo '67 before an audience from many different countries. The choir is a source of pride to the teaching profession, and its annual concert is an outstanding musical event in this city. As we welcome them here today, we congratulate them on twenty-five years of musical achievement during which their voices and artistry have provided great pleasure for audiences in Canada and the United States.

I would like to pay a brief tribute to the choir's distinguished conductor, Mr. Harvey D. Perrin, who is the Director of Music for the Toronto Board of Education. Those of us who know the history of this choir know that Mr. Perrin's musical ability, his enthusiasm, and his leadership have played a large part in its success.

And now, Ladies and Gentlemen, on this festive occasion it is my pleasure to introduce to you the members of the Toronto Men Teachers' Choir and the Choir Conductor, Mr. Harvey Perrin.

The choir sang.

JANUARY 4, 1968

Why Not Apply Tomorrow's Disciplines Today?

AN ADDRESS BY George Gathercole
CHAIRMAN, HYDRO ELECTRIC POWER COMMISSION OF ONTARIO

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

Among the traditional signs of the festive season just drawing to a close, is an abundance of colourful illumination. From our streets, our buildings, our houses, and our high-rise apartments, this seasonal luminiscence shines and glows – this year symbolically expressing our joys and hopes as we leave our first century as a nation and embark upon the second.

Illuminating our environment, heating our dwellings, and turning the wheels of our industry and transport – these are but a few of the major benefits man has derived from the harnessing of one of the great forces of nature: electricity.

Other manifold applications of this tremendous force are apparent in nearly every aspect of our existence. I will not begin to enumerate them, for they are familiar to each of us. I will observe, however, that the continuous flow of electric power through the lifelines of our province is of vital importance to the functioning of our modern, technological society.

With these thoughts in mind, I would like to direct your attention to our speaker – a man with the responsibility for harnessing and distributing electric power in this province – I refer to Mr. George Gathercole, Chairman of the Hydro-Electric Power Commission of Ontario.

He was born in Hamilton 56 years ago. He has a B.A. degree from McMaster University, an M.A. degree in economics from the University of Toronto, and an LL.D. degree from York University.

Our speaker was a prominent athlete in his university days, having been captain of both the football and hockey teams at McMaster.

Upon completion of his university education in Canada, he went to England to undertake post-graduate work. On his return to Canada, late in 1939, he was named Economic Executive Assistant in the Hydro-Electric Power Commission of Ontario.

During the war he served with the Royal Canadian Navy, in the Operations Division and in the Operational Intelligence Service.

At the beginning of 1945, he accepted a position with the Government of the Province of Ontario as its first practising economist. For the ensuing 17½ years he held a number of posts, functioning as the government's chief economist during a period of unprecedented industrial expansion in this province.

Mr. Gathercole was engaged in the formulation of the Ontario Hospital Services Insurance programme, in the development of the Metropolitan Toronto plan for the formulation of our present form of municipal government, and in the Ontario Pensions Benefits plan. He played an important role in Ontario submissions to five Royal Commissions and he led technical discussions dealing with federal-provincial fiscal arrangements. Latterly, he was the Ontario Prime Minister's representative on the Federal-Provincial Continuing Committee on Fiscal and Economic Matters.

Our speaker was appointed First Vice-Chairman of the Hydro-Electric Power Commission of Ontario on December 1st, 1961, and became Its Chairman on April 1st, 1966. In addition to his duties with Ontario Hydro, he is a member of the Ontario Advisory Committee on University Affairs and the Ontario Advisory Committee on Confederation. He is also Vice-Chairman of the Sheridan Park Corporation and a Director of the Royal Botanical Gardens, Hamilton. He was the distinguished President of The Canadian Club during the 1965-66 Club year.

Gentlemen – it is my pleasure to call upon Mr. George E. Gathercole to address us on the topic "Why Not Apply Tomorrow's Disciplines Today?" Mr. Gathercole.

MR. GATHERCOLE:

As your Immediate Past President noted at the beginning of the 1966-67 season, The Empire Club of Canada has enjoyed a long and illustrious career going back to the twilight of Victorian grandeur 65 years ago.

Those of us who have gathered our impressions of that era from authors and historians think of it as an age in which there was a strong sense of personal and national rectitude, propriety and discipline. Today one might well ask whether with the passing years we have lost some measure of those traits once considered so essential and vital to survival.

I grant that in these days, when the accent seems to be so much on permissiveness, anyone who speaks of discipline is likely to be thought of as out of date as a gas lamplighter, but history carries some telling lessons of the revenge visited on nations and individuals who were thoughtless enough to neglect it.

Discipline, of course, is not an end in itself. In one way, I suppose, it is a response to one's conscience. In another it is the means by which unity and action are harnessed to work in the interests of the whole community. In a third sense, discipline is the process by which in return for giving up a lollipop today, we can look forward to getting the deed to the candy store tomorrow. It is on this general theme that I speak to you today.

In a democratic society, where opinions, wants and needs vary greatly and individual freedom and independence are so much prized, it is not always easy to persuade an individual that there can be a higher interest than his own.

Individual liberty is treasured as our most precious possession, but the development of an urban society has made us increasingly interdependent. Each part of our society, whether it be government, industry, labour or management, can operate effectively only within the context of our total environment. The untrammelled, unilateral extension of any one, endangers the progress of the others. These considerations create a responsibility to think in terms of broad economic and social objectives which promote the well-being of the whole community.

Unfortunately, it is easier to establish objectives than it is to attain them. You cannot set them up and then demand that someone else make them come true. Humans have a disturbing disposition for self-delusion. As John Deutsch has affirmed, Canadians have acquired a set of extravagant or exaggerated expectations. We want full employment, but not rising prices. We want expensive social services, but at someone else's expense. We want to maintain Canadian unity, but we are not prepared to accept the price of adapting to changed circumstances. We want to preserve our independence from the United States while enjoying parity of wages and other comforts when our productivity as a whole is less. We hope to consume all the fruits of our modern industrial machine even though we sometimes impede and frustrate its operation by strikes and picket lines. We want industry to be efficient, modern and highly developed, but often we are not ready to meet the exacting demands required to accomplish it. In short, we want many things – things that in time are capable of being realized, providing we can develop the discipline required to achieve them.

Consider, for instance, the matter of preserving our Canadian identity and viability. It is understandable that Canadians wish to share the same income and comfort standards as our friends in the United States. I can conceive of many reasons why we should aspire to that goal. Its realization would constitute a great attraction not only to immigrants from abroad, but to our own native born who are emerging from our schools and universities and seeking interesting and rewarding jobs with reasonably competitive incomes. But real parity cannot be obtained, except in special situations, by negotiation or legislation. Although I am aware that both of these processes have been tried, there is no way by which they can produce gains that are widely shared.

Canada has a potential unsurpassed by any other country, but it still has several formidable handicaps. By most standards we have a relatively small domestic market and for many products we lack the long production runs that make for high productivity and low unit costs. Our financial and human resources in terms of those of the United States are far short of those required to maintain a corresponding volume and diversity of research and technology. Add to these shortcomings our large net foreign debt that has to be serviced and we have three good reasons why appeals to negotiation and legislation to effect comparable real incomes and living standards are for most Canadians an exercise in futility.

I do not despair that Canadians can ultimately bridge the gap, but success will not come automatically. There is no magic formula. If we are to match American incomes and living standards, we must be prepared to produce and export more in relation to our imports, and generate more savings for our domestic capital needs and the acquisition of investments abroad. No amount of tinkering with the country's laws or of driving hard wage bargains will alter these fundamental economic realities. The elimination of the discrepancies in nominal incomes and prices in Canada and the United States will depend on how effectively we apply some of those old-fashioned vitrues such as hard work, saving, ingenuity, inventiveness and good sense.

What of that other puzzle, the preservation of Canadian unity? The issues here run wider and deeper than many people believe, and it would appear that almost superhuman understanding, patience and effort will be needed to find a formula that will accommodate, within reasonable tolerance, all the conflicting views and interests that are held on this subject.

Prime Minister Robarts aptly expressed the need for better understanding on the part of the English-speaking Canadians when he said that you cannot in one breath speak in favour of unity and in the next argue against all change. While a new approach by English-speaking people is, no doubt, overdue, our French-speaking compatriots in Quebec should also be guided by the realization that the process of opting out and *maître chez nous* can be carried to a point where representation from that Province in the Federal Parliament would be neither tenable nor justified. This process can destroy Confederation in effect, if not in name, just as surely as if Quebec took formal action to separate.

Failure to reach a satisfactory accommodation would have tragic consequences, and one should not treat lightly the feelings in Quebec for more independence. Make no mistake: we in the rest of Canada are richer by being joined with Quebec. On Quebec's part, there should be an appreciation of the staggering problems – fiscal, economic, social, political and territorial – that it would face if it ventured into separation. Canadians could not make a more fitting New Year's Resolution than to rededicate themselves to building a nation united politically, economically and intellectually.

We in Ontario Hydro, and indeed in the whole electrical industry, also face testing times – times that will challenge the best efforts and talents of all of us.

Traditionally, Ontario Hydro has doubled its capacity every ten to twelve years. But in the next decade we will have to do better. Indeed, in the next eight to nine years we must bring into service as much capacity as Hydro has built and acquired in the past sixty years. And this is only a harbringer of what lies ahead. By the year 2000, just 32 years away, Ontario Hydro will be required to build the equivalent of seven or eight power systems of its present size.

However, it is on our commitments in the next several years that I wish to focus your attention. This task in itself will be formidable. It will involve not only Ontario Hydro but also a broad cross-section of our manufacturing industry and construction trades.

As one of the giants in the electric supply industry – we are one of the two largest electric power utilities on the North American continent – Ontario Hydro is able to take full advantage of the economies of scale in planning its production programme. It is big enough to install and operate the largest and most efficient generating units and high performance equipment now being manufactured.

Although for many years Ontario Hydro relied on the development of water power to meet its requirements, this is no longer possible. Of our total committed expansion of nearly 8-million kilowatts (our present capacity is 9-million kilowatts) less than three-quarters of a million is hydraulic; ninety per cent of our commitment is thermal generation.

In earlier years the concentration of hydro-electric power development led to the creation of a market for turbines and generators that Canadian industry was able to supply with great skill and competence. Canadian water turbines and generators enjoy a high reputation throughout the world. While there is still a substantial demand in several other provinces for hydro-electric equipment, the trend towards thermal generation in Ontario poses a difficult supply problem for the electrical manufacturing industry.

Compounding problems of expansion and restructuring has been the dramatic increase in the size of the units installed. The most common size in the early 1950s was 100,000 kilowatts. Now all our new stations will have units of one-half million with a total plant capacity in each case of 2 million kilowatts, equal to the whole of our power generation at Niagara Falls.

These thermal stations have many of the characteristics of one of Rube Goldberg's finest creations. Exotic materials are employed to stand up under operating temperatures of a thousand degrees and pressures exceeding 2,000 pounds per square inch. The turbine blade tips spin at a speed of 750 miles an hour, glow a cherry red, and generate a force several times that of a tornado. With their miles of piping, tubing, wiring and several hundred electric motors and pressure and temperature switches and control valves, they form a package that for temperament would make Maria Callas look like a study in cultivated calm.

Such highly sophisticated machines impose the most exacting demands upon manufacturers and our own staff. Design, machining and fabrication call for the highest technical skill and precision workmanship. When the units are first installed, commissioning problems can be frustrating and time consuming, but our experience is that once the teething stage has been passed, the equipment can be brought to a state of satisfactory performance.

Ontario Hydro, indeed all utilities, have had their share of difficulties with these large prototype – but in the end cost-shaving – units. With the combination of manufacturing difficulties and longer commissioning trials, it has become imperative for us to double our lead time which, has now reached seven years. Obviously, the longer the lead time the greater the risk of error in equating our total capacity to our total load, and the greater strain thrown on our load forecasting techniques and personnel.

I have always regarded one of Ontario Hydro's most challenging tasks that of matching its capacity to demand, neither on the one hand having a surfeit of capacity that would drive up power costs, nor on the other a deficiency that would inhibit the province's industrial and community growth.

For Hydro to plan its capacity to meet not only adverse weather conditions and forced outages but a several months' construction strike – the first of any consequence in 16 years, and the largest in our history – would be ultra safe and ultra expensive. Any organization that over the years is not at full stretch at the time of its annual peak demand would be hard put to defend itself against claims of extravagance.

Trying to steer a course between security of power supply and economy of supply is made doubly difficult today by the fact that the entire electrical industry has been undergoing a traumatic transformation as a consequence of major breakthroughs in science and technology. We have entered a new chapter in our development which is founded on nuclear and fossil-fuelled thermal machines, involving concepts and designs which have never been put to the test of full-scale commercial operation.

This is particularly true of our efforts to harness nuclear energy for the generation of electric power. We have joined with Atomic Energy of Canada in the development of the CANDU reactor – a Canadian design employing Canadian natural uranium as a fuel, and soon, Canadian heavy water as a moderator. It would be nice, if we could afford it, to experiment with a number of other concepts, but without the financial and scientific resources we could spread ourselves so thinly that we would fail to bring anything to fruition.

The Atomic Energy of Canada's reactor design is adapted to Canadian resources. It requires a large capital investment – this is a disadvantage – but it is offset by low fuel cost. We know the reactor works, and estimates of the cost of larger developments suggest that they will operate well below the unit cost of power generated from conventional fossil-fuel stations. As it becomes a demonstrable success, Canada will possess an important new manufacturing and export activity.

Granted, there have been delays in bringing the 200,000 kilowatt Douglas Point station into service, but this has been the experience of other utilities, and most of the defects at Douglas Point have been in the primary heavy water circuit pumps rather than the reactor itself. After producing power last January, and later reaching about one-half its capacity, the plant encountered difficulties which caused it to be shut down. The station again came on the line before Christmas, and last week was adding 162,000 kilowatts of power to the system.

In time experience may suggest improved designs or even new concepts. Hydro's primary motivation in nuclear development is an extension of its basic responsibility, which is producing electricity at the lowest cost possible, and at this stage the Canadian natural uranium, heavy-water reactor offers us the best nuclear means of doing that.

Despite the setbacks and disappointments, Canadians are entitled to take some satisfaction from the fact that no other country of our size has embarked upon a nuclear programme, designing and developing its own nuclear system and manufacturing capacity. Moreover, with Pickering under way, Ontario Hydro in relation to its capacity has about as large a stake in nuclear power development as any country in the world, including Great Britain and the United States.

Admittedly innovation is risky. Certainly we could have concentrated upon conventional hardware, but had we done so we would not have afforded Ontario and Canada or the graduates from its schools and universities the same opportunity of advancing in nuclear research and technology. This would not have been good enough. We have to venture. We have to move ahead, applying the scientific disciplines of tomorrow, today.

I have tried to emphasize the need for seeking solutions for problems from the standpoint of the community interest or the common good. No doubt that is idealistic, and we will never achieve perfection. Nevertheless, the exercise of striving for it may be salutary.

In the light of all the things we are trying to accomplish, I wonder how Canadians can justify wage increases of double those in the United States and the rash of strikes that beset us from time to time. I am not against high wages and salaries. They should be the highest that the economy can afford.

The role of unions in improving working conditions is fully acknowledged. But I am sure that many in the union movement will admit that wage increases of eight to fifteen per cent, far in excess of any conceivable growth in productivity, may thwart our development and wrench it off its forward course. Even increases of eight per cent annually mean that the income levels will double every nine years. In the wake of this powerful thrust, one is left to contemplate the impact upon interest rates, the heavy cost of carrying mortgages and its effect upon business expansion and home ownership. And then there is the plight of all those who have to live on fixed incomes, including pensions. Surely considerations of both economics and equity dictate that we should not be complacent about the size of the income increases we have been experiencing. It must be plain even to those who have been able to make such demands effective that their efforts are in part self-defeating. Neither government, nor industry nor

Hydro can absorb them through gains in productivity. The upshot is higher costs, higher prices, higher rates, higher taxes.

There was a time when unions could justify a degree of economic dislocation and general inconvenience because this power was being wielded on behalf of less fortunate members in the economy. Generally speaking this is no longer true. It is the unorganized workers and citizens and the general public who now are more likely to suffer.

The strike of the construction unions which crippled vital Hydro projects for many months last year did not involve wages; it was concerned with the role of the union in society and the authority it would exercise. We value the work of unions. By far the major proportion of Hydro's construction is carried out by union organized workers and contractors. Any worker taken on Hydro's construction staff becomes, after a short waiting period, a member of the trade union associated with his particular skill. Any contractor engaged on a Hydro project must adopt wage rates and monetary working conditions for his employees equal to those negotiated by Hydro for its construction workers. On the other hand, as a publicly-owned, province-wide organization, carrying on its activities in a variety of union and non-union labour markets, we have held to the position that we could not deny to any contractor or worker who was qualified, the opportunity to bid or work on a Hydro project.

Many construction trade unions now have constituted themselves into organizations that effectively control and manage labour. They determine the number of recruits who may enter the trade and what members should work on different jobs or projects. The right of the worker to practise his trade may rest with the union. Inherent in this power is the danger of an abridgment of the individual worker's rights. If an individual finds that his work is unacceptable to any particular employer, he can offer his services to others. However, if as a card-carrying member he has a falling out with his union, he may be barred from practising his trade with any employer who has a union agreement.

In theory, under the collective bargaining process, if an agreement cannot be reached, the union may strike the job, post pickets, close down the project, while the striking workers wait on the sidelines. This is all right in theory. In practice, under relatively full employment, the striking union posts token pickets, halts work on the site, and most of its members hive off to work at their trade elsewhere. Under such circumstances, the contest can be very unequal.

Out of the crucible of experience of the past year must surely come a better understanding and more effective approach to resolving differences. I have the utmost sympathy for the construction worker who is vulnerable to insecurity of employment and income. But the answer is not in protective or make-work practices. Our objective should be to unleash energies, to find short cuts to productivity so all may benefit, and while not impeding the mobility that is inherent in the construction industry, to strive for more continuity of employment and stability of income.

Over the years Ontario Hydro has enjoyed good relations with labour and other members of its staff and attaches great importance to maintaining the closest possible rapport with them. Across the whole economy there is a need for better ways of maintaining uninterrupted production and restraining increases in costs.

Well, there you have it. In Centennial Year plus one, Canadians find themselves with a number of knots to untangle: economic viability, national unity, the challenge of the new technology, labour-management relations, and others. How will we fare? I know there is a school of thought that suggests that in the confused world in which we live the undisciplined individual is more able to cope with life than one who accepts some of the responsibilities that society imposes. I do not subscribe to that philosophy. To me it is better to face up to reality than to be in constant pursuit of that illusive state of being-happy-in-spite-of-everything.

History has enshrined an old adage that hardships, problems and difficulties can act as a grindstone upon individuals and nations – either wearing them down or tempering and polishing them; and whether it is one or the other depends upon the character and stuff of which the nation and its people are made. A more generous application of economic discipline today could avoid sterner demands being imposed upon us tomorrow.

Thanks of the meeting were expressed by E. A. Royce.

JANUARY 11, 1968

Metropolitan Toronto — Planners Dilemma

AN ADDRESS BY Sydney Hermant
PAST PRESIDENT OF
THE EMPIRE CLUB OF CANADA
PRESIDENT, IMPERIAL OPTICAL CO. LTD.
MEMBER OF METROPOLITAN TORONTO
PLANNING BOARD

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

It was in 1834 that the garrison town of York, with a population of just over 9,000, was constituted as the City of Toronto. The growth of the city since that time has been rapid and dramatic. Today, the great complex of Metropolitan Toronto extends beyond the original city boundaries to encompass 12 municipalities. Its population totals over two million – a figure that increases markedly each year and includes well over half a million persons from countries other than Canada.

This explosive pattern of growth has been noted in most North American cities. In a book entitled *The Regional City*, published in 1965, Professor Harold Kaplan of York University states:

> "The kind of North American city formed in the latter part of the nineteenth century is now being transformed into a large, continuously urbanized region. The hall-marks of this emerging metropolis are a movement of jobs and people from the older city to

> the periphery, a relative decline in the importance of the central business area, and a far greater commitment to home-and-car ownership.
>
> "The major transportation flow is still into the central area in the morning and back out in the evening, since most of the jobs, shopping, and entertainment are still focused in the downtown area."

Because growth has out-paced over-all control and design, we are now confronted with certain problems. Grumblings are heard about traffic congestion, overcrowded parking facilities, underdevelopment of the downtown area, sterility of suburban life, air pollution, and so on. Civic and municipal authorities are kept busy grappling with the day-to-day exigencies growing out of these problems. It is obvious, however, that concerted and skilful planning for the long-range control and development of the entire Metro area is of pressing importance.

The evolving of such a plan is a formidable undertaking, and we can readily understand why our speaker today, Mr. Sydney Hermant, has entitled his address: "Metropolitan Toronto – Planners' Dilemma". As a member of the Metropolitan Toronto Planning Board, he can speak authoritatively about the planning, the possibilities, and the pitfalls.

A leading Toronto businessman, Mr. Hermant is President of the Imperial Optical Company Ltd., and a Director of the Canadian Imperial Bank of Commerce, of A. J. Freiman Ltd., and of Maple Leaf Gardens Ltd.

He is also an effective contributor to the affairs of our city. In addition to his work with the Metropolitan Toronto Planning Board, he is a member of the Board of Governors of the University of Toronto and a member of the Board of Trustees of Sunnybrook Hospital. Many of you will know him as a Past President of this Club. He is also a Past President of the Board of Trade of Metropolitan Toronto.

He is a man of many interests. He was the instigator of the Queen's Club in 1958 and is now its managing director. In spite of the many demands on him, he spends much time playing tennis at the Club, a game in which he is an expert.

He also relaxes on week-ends at his Muskoka cottage; the beautiful blue waters in front of his cottage provide, in summer, a setting for his swimming activities and an atmosphere for his reading programmes. I emphasize "programmes", because he has his time fully organized.

Mr. Hermant graduated from Upper Canada College and from University College, the University of Toronto.

Gentlemen – it is my pleasure to invite him to speak to us – Mr. Hermant.

MR. HERMANT:

Mr. President and members of The Empire Club of Canada: It is a great honour, but thoroughly intimidating, to speak to one's fellow members and friends, particularly in the presence of so many who know more about my subject than I do.

I would express particular appreciation to the ever-tactful Chairman of our Head Table Committee, Mr. Harold Gillingham, for including my oldest son, Peter, who represents the third generation of our family membership in this Club; and I am happy that my other three sons, who are also members, are in the audience. Needless to say, it is a "Command Performance" for them!

The subject of my address today is: "Metropolitan Toronto – Planners' Dilemma".

It is my intention to assess our present political structure in Metro, underline some of the problems and dilemmas facing those who are concerned with its operations and planning, as I see them, and succumb to the irresistible temptation of casting a glimpse into the future. Just as *Year Book* clearly states, that opinions and views expressed in addresses are those of the speakers themselves and do not carry the endorsement of the Club, nothing I am going to say today carries the approval in whole or in part of the Metropolitan Toronto Planning Board.

There will be nothing very new or original in this talk because, as many of my fellow members will recall, this is, in fact, the 27th speech on this general subject that has been delivered to this Club over a sixty-one-year period. However, I take comfort in the definition of "originality" given by the late Sidney Smith, when President of the University of Toronto, who, after coining a phrase in the Senate of the University, which is one of the finest debating forums I have ever known, was immediately challenged by a professor who accused him of plagiarism, to which the President replied: "I thought my statement was original; and my definition of originality is remembering what I heard and forgetting where I heard it."

I speak to you today as an unrepentant native Tory Torontonian, and the views I express are coloured by my own personal philosophy and political prejudices.

This reminds me when, as an undergraduate, I received an essay back from the late Professor Sydney Brett with the comment: "This is much too general and where it is specific it is wrong"; and the best I can hope for with respect to my text today is that just the opposite may be true.

I believe with all the power of my conviction that we shall enjoy maximum freedom as individuals under the free enterprise system; I am wedded to the old-fashioned idea that sooner or later we have to pay for our standard of living; and I resist completely the ever increasing tendency for both Government and Industry to spend other peoples' money, and to impose their literary and cultural tastes on their fellow citizens at the expense of the public purse and the docile shareholder. I believe that real wealth cannot be created by administrative edict, or by legislation, or by the printing press; and while there may be three levels of government in the taxing field, there is really only one taxpayer.

I would agree with Aristotle's definition that the City should be a place where one comes to live the good life, but I would add that it must also provide the economic climate and facilities for productive work in order to make the good life possible. While we live in a world where the race is to the swift and the battle to the strong, I completely accept the concept that we are, in fact, our "brothers' keepers", as evidenced by the Social Welfare programmes that are now part of our way of life both at home and abroad. And, like so many of you, I am less concerned about the amount of tax I pay, than by what is done with the tax dollar.

The twenty-six speeches on this subject to which I referred, and which are fully recorded in our *Year Book*, underline the fact that this Club has been interested in the planning and the welfare of our City over a long period. In an address to the Club in 1907, Mr. W. F. MacLean, a Member of Parliament for a Toronto constituency, referred to the need for improved East-West transit lines, and attacked the two-fare system then charged by the Street Railway Company. He made a plea for subways, which he estimated might enable people to travel as fast as thirty miles per hour. He referred to Toronto as no mean City, and predicted that it would become great in commerce and education, and a gracious place for its citizens to live. More than forty years ago, Mr. T. A. Reid of the University of Toronto, and an authority on the history of the City, referred to the real estate boom at the beginning of the century, and quoted specifically the young man who came home and reported in consternation the exorbitant price for land at the corner of King and Yonge, which had just risen to $4.00 per square foot.

In 1929, Mr. R. C. Harris, Commissioner of Works of the City of Toronto, proposed that the City make every effort to acquire property in the general area of Bay-

Queen and Osgoode Hall, in order to provide space for a suitable City Square.

Twenty-four years ago, one of our very prominent architects, who was later to be identified with a campaign to save our old City Hall, said in an address before this Club: "There must be few cities in the world with as mean a Civic Centre as Toronto, or as outmoded a City Hall in all its functions, a building that has nothing to commend it, that lacks even the mediaeval picturesqueness of the Hamilton City Hall." And that, fellow Torontonians, was the unkindest cut of all.

Throughout the years there have been constant references to our problem of urban renewal. Speakers have pointed out the necessity for redevelopment in the centre of the City, our need for public parks and squares, and for improved public transportation and expressways. The debate between those who advocated complete amalgamation, and those who preferred the two-tier system of government has been carried on through the years by the public figures of the day. To those who have a continuing interest in this subeject, these talks are "required reading."

In 1951, Toronto could be described not as a City but as thirteen Cities, piled haphazardly on top of each other, like a child's stack of wooden blocks; with thirteen local governments forced to pay exorbitant rates of interest for Municipal Bonds, and facing financial disaster and political stagnation. To paraphrase Lord Durham, there were thirteen local governments warring within the bosom of a single economic and social area, and it was small comfort that this "disease" was common in all of the developing areas on the North American Continent. Today, thanks to the farsighted political leadership of the Provincial Government, we now live in one of the great Metropolitan Cities of the world. When I use the word "City," I come to my first dilemma, because in my view, Toronto really means the whole of the Metropolitan area, which is the thirteenth largest on the North American Continent; and yet to the outside world our area remains unidentified because of a series of postal addresses, all referring to vital and important parts of the whole but not to the whole itself. With due respect to the Boroughs, a letter addressed to Scarborough, or to York, or to Etobicoke, does not really identify this Metropolitan area, and therefore I would take this opportunity of reinforcing the view expressed repeatedly by The Board of Trade that it would seem more logical that the postal address for this area be TORONTO, with the identifying location namely, Scarborough – Toronto; Etobicoke – Toronto; York – Toronto; used for local postal distribution. Thus far this plea has fallen on deaf ears, as far as the postal authorities are concerned, but the logic of the situation seems to be irresistible and the advantage to this whole area incalculable.

Fortunately, we are also Canadians and live in a country that enjoys one of the highest standards of living in the world; a country which, in spite of all our problems, is one of the most politically and economically stable; and one which continues to provide unparalleled opportunity for my generation and for my sons', just as it did for that of my father.

The creation of the metropolitan form of government in this area on April 15, 1953, inaugurated the first regional government in North America. And now, 15 years later, it remains the most successful experiment of its kind, and an object of study and even wonderment for elected and appointed officials in local and higher levels of government throughout the world. It is suggested that this has been possible only within a political jurisdiction, that is, the Province, where there existed a quasi-judicial body, The Ontario Municipal Board, which had the power to recommend and even order a rearrangement of political jurisdictions, boundary lines, and traditional governmental functions. The important fact is that the Government of

Ontario was willing to use its powers to create an entirely new level of government.

Just last year, an International Conference convened in Toronto, with representatives from forty metropolitan areas around the world. They chose to meet here because of the success of our metropolitan form of government, and following their meetings they selected this City as the location of their permanent headquarters.

In Canada, the census definition of a Metropolitan area requires a population of at least 100,000 persons in the Central City, with an additional population resident in adjacent communities, which together form one social and economic unit. In 1951 there were fifteen such areas; by 1961 there were seventeen, and the number continues to increase. The Royal Commission on Canada's Economic Prospects, published at the end of the 1950s, predicted that by 1980 two-thirds, and by the Year 2000 three-quarters, of all Canadians will live in twenty metropolitan areas. In the case of Toronto, we are dealing with some 240 square miles, in which there were fewer than a million persons in the late 1940s. In 1953 our population had increased to 1,250,000. Today it is approximately 2-million, and is increasing at the rate of 60,000 to 70,000 persons per annum. In the Year 2000, it is estimated, our population will exceed 4½-million. Toronto has been a City of tradition and change, the centre of English-speaking Canada. Our community was founded mainly by settlers from the British Isles, to whom we owe our priceless heritage of British justice and common law, and has been greatly enlarged since the war by a steady flow of D.P.'s – that is, "Delayed Pilgrims" – from many countries in the world. It is estimated that approximately one-third of all those who now immigrate to Canada eventually wind up within our Metro, thus enriching and adding to the wealth and character of the City. There may be many of us who are nostalgic for the good old days, but the fact is that we now live in one of the world's fastest growing and most exciting cosmopolitan centres.

When the Metropolitan Council became fully operational on January 1st, 1954, we had political representation equally divided between the City of Toronto and the twelve Suburban Municipalities. At that time, the City had approximately 60% of the total population, and the same proportion of property assessment. Today the City includes fewer than 40% of the residents of Metro, and the proportional total of assessment valuation is less than 45%. It is not my purpose to discuss the political struggle between the City of Toronto and the Suburban Municipalities, except to say that the Provincial Government, ever conscious of this problem, appointed a one-man Royal Commission to review the structure. Happily, this is one Royal Commission Report that was not pigeonholed but received immediate and thorough consideration, and resulted in some fundamental changes, which were effective on January 1st, 1967. Despite the great pressure for amalgamation from some quarters, the two-tier system of government was retained, but the thirteen municipalities were reduced to six major governments – the City of Toronto and the five Boroughs. The new alignment provided changes in the system of representation. The Council was enlarged from twenty-four to thirty-two members, leaving the City of Toronto with its original twelve representatives, but increasing those from the five Boroughs to twenty, with one to each of the new Boroughs for approximately 50,000 to 60,000 in population. In addition to a reorganization of the governmental structure, the number of School Boards was reduced to six from the previous eleven.

Thus the Province and those concerned recognized the inherent political dilemmas created by this situation and by the question: Would our future be best served by total amalgamation of the whole area, or by the retention and expansion of a two-tier system of government? It would seem that we want the best of both worlds – Municipal Government as close to the people as possible, and yet recognition that certain essential services are more economical and effective if unified. In setting up the new system, the Provincial Government suggested that following the third election in Metro, and before the fourth (that is, between 1972 and 1975) the whole matter of representation should be reviewed, as should the whole system of governmental organization. It has therefore been clearly recognized that no system of Metropolitan Government can be expected to work, frozen and unchanged without reassessment, for more than a decade at a time. Since no speech today would be complete without a quotation from Marshall McLuhan, I would say, in his words, that the Government realized that to approach this problem with a fixed and unchangeable point of view would be the "witless repetitive response to the unperceived." It would seem, therefore, that one of the inescapable facts of life is that the best of plans, like machines and highways, are obsolete the day they are created.

In the Municipality of Metropolitan Toronto Act of 1953, an attempt was made to assign area wide functions to the Metropolitan Council, and to assign local functions, insofar as they could be identified and separated, to Local Governments. In other words, Metro became the "wholesaler" and Local Governments became the "retailers" of certain municipal services. Another significant change was the creation of a Metropolitan Assessment Department. In 1957 the responsibility for police became a Metropolitan function with the creation of a Metropolitan Police Commission. It hardly seems credible now, but in the greater Toronto area, prior to the change, the police function remained divided among thirteen municipal jurisdictions, and the officers could not even communicate with each other since their radio systems were not on the same wave length; though criminals and criminal activities were not restricted by municipal boundaries. At the same time, the power of licensing was transferred to the metropolitan jurisdiction through a Licensing Commission. Emergency measures were also transferred as an area wide responsibility. Thus Local Governments have been acting during the past decade as "retailers" of water and sewage disposal facilities, and have been responsible for local streets, local parks, garbage collection, and the disposal and collection of tax payments from all residents on behalf of both Metropolitan and Local Governments. Until the beginning of 1967, the major responsibilities which were left entirely to Local Governments were those of Fire Protection, Public Health, and Public Welfare. In the reorganization of Metropolitan Toronto, which came into effect on January 1st, 1967, the Welfare responsibilities were centralized in a new Metropolitan Department of Welfare, and thus for the first time every individual and family among the population of nearly 2-million may receive the quality and quantity of Welfare Services which have previously been available only within the City of Toronto. At the present time, there are still six Fire Departments and six Departments of Public Health. However, several weeks ago the Minister of Health of the Province of Ontario provided irresistible incentive to unification by offering a 75% grant to one amalgamated Department of Health.

In my opinion, it would seem logical and inevitable, as suggested by the newly elected Chairman of the Toronto Board School Board, that Education is also an area that would be best served by unification.

As an essential ingredient in the political structure, the Ontario Planning Act made specific provision for Planning Boards. Under the Act, Planning Boards are charged generally with investigating physical, social and economic conditions in relation to the development of a planning area, and may perform such other duties of a planning nature as may be referred to them by Council. Councils do not always accept the recommendations of their Planning Boards, and if an impasse is reached, then a final decision must be made, as it should be, at the polls.

At the present time, there are, in fact, twenty Planning Boards in the area – The Metropolitan Toronto Planning Board, and one in each of the Boroughs and in each of the thirteen fringe Municipalities; and while this may often be a long, tedious and expensive process, it does recognize the fundamental fact that effective planning in such a large area must be at all times strongly influenced by local conditions.

For this reason, the Metropolitan Toronto Planning Board was reconstituted in 1967, and now includes, in addition to the Chairman of the Metro Council, two members of the Metropolitan Toronto School Board, a member of the Metropolitan Separate School Board, seven citizens at large, five members of the Metropolitan Council (that is, one from each standing Committee), six members of Local Metropolitan Planning Boards, and six representatives of fringe area Planning Boards. While this is a large Board, it is specifically designed to improve communication and to make use of the planning experience of the many Planning Boards and organizations involved throughout the whole planning area. As a matter of interest, the average attendance at the regular meetings of the Board during 1967 was better than 70%, which speaks well for the dedication and continuing interest of its members.

At this point, I would like to pause and emphasize that these "Terms of Reference," as I interpret them do not mean that planners are, in fact, economic planners, because it is basic to our political philosophy and economic system that the individual has the right to use his land, and invest his own time, money and productive capacity as he sees fit, subject only to the over-all interests of the community as a whole. It is neither the purpose nor the function of a Planning Board to pass economic judgment, which rightfully belongs in the market place. To be specific, it is not the concern of the Planning Board whether it is economically feasible in any given area to establish another gasoline station, or grocery store, or even shopping centre, but the decision should be based on the effect of the project on the community in terms of traffic, sewage, schools, and essential services. The freedom to risk capital should remain unimpaired to the extent that this is possible in our modern society.

When it was first created in 1953, the Metropolitan Toronto Planning Board was required to prepare an official plan, dealing with land use, ways of communication, sanitation, green belts, park areas, and public transportation for the whole planning area comprising a total of 720 square miles. The Board was able to present the first draft of a Metropolitan Official Plan early in 1960 in a document that weighed over seven pounds, contained 230 pages of text in small print, 60 maps and over a hundred statistical tables, and represented the result of five years of intensive research into the economic and social base of the Metropolitan Planning Area. It also included an examination of the predictions of the growth of the area for the next twenty years. This Report was thoroughly discussed at every political level and at public meetings. By some it was hailed as a monumental piece of planning, a blueprint for our future, and a panacea for our many ills. Others thought it too cumbersome and hoped that, like some Commission Reports, it would be filed and forgotten. To some it was a political document, dealing only with the narrow interests of Metro Toronto. To others it was a conspiracy to preserve the status quo, or to permit Toronto suburban sprawl to pre-empt the best agricultural land around Metro. After five years of further work and refinement, the Plan, while basically the same in its planning proposals for the area, now weighs barely four ounces and has been condensed to twenty pages of text with five maps. It lays down a policy to be followed in developing the Metropolitan area and clearly spells out the steps necessary to achieve the objective of harmonious economic growth. Although the Plan is still praised and criticized as before, it has now been accepted, not as an Official Plan in the strict meaning of the Planning Act, but as a statement of policy of the Metropolitan Corporation for the planning of future Works and Services. As such, it is a guide for the other Area Planning Boards. It is, in fact, being treated by Planning Boards, Councils, and the Minister of Municipal Affairs as an Official Plan for administrative purposes, and valuable experience is being gained in its operation. What is important is that we now have established guidelines for private industry and the various levels of Government. Whereas this Official Plan sets the pattern for the area, it in no way relieves the constituent Municipalities of the necessity of preparing their own plans; and the City of Toronto, for example, has been actively engaged for over twelve years in revising its own plan of development.

It is necessary for each Local Planning Board to process each plan of subdivision through the Metropolitan Toronto Planning Board. The plan then goes to the Community Planning Branch of the Provincial Government for ultimate approval; and while this can result in costly delay, it is unavoidable if we accept the fact that Regional Planning is fundamentally important. The problems of procedure underline the necessity for close liaison and continuing reassessment of the areas of responsibility assigned to the Metropolitan and Local Planning Boards.

According to Dr. Albert Rose, who is the recognized authority on this subject, and is a head table guest with us today, there is little question that the impasse in the provision of housing accommodation, and the stagnation of community planning in the Toronto region, were among the most important considerations that led to the establishment of Metro by the Provincial Government.

Housing, from the municipal point of view, is a deficit activity because of the ever-increasing costs of urban services, and a natural desire for commercial and industrial assessment. It has been estimated recently that it would require taxes derived from a house selling at approximately $27,000.00 for a municipality to break even, and for many this is just unrealistic. Several of the largest boroughs have attempted unsuccessfully over the years to maintain an appropriate balance between residential assessment on the one hand, and commercial and industrial assessment on the other. This is a very real political problem, and the test will come within the next few years when the areas outside of the City will be called upon to accept the fact that the rehabilitation of the core for both residential and commercial purposes is vital to the welfare of the whole area. For example, it is well known that the City needs an entirely new sewer system at an estimated cost of approximately 200 million dollars; and, understandably, there are those in the Boroughs who are not too sympathetic with respect to financial burdens of this kind. It can only be hoped that there will be acceptance of the Metro concept at the political level. Certainly, the housing crisis has been aggravated by haphazard land-use policies throughout the whole area, and this has inevitably led to land speculation and rapidly rising prices for residential lots.

Today we have two new pieces to add to the vertical mosaic – the Professional Planner, and the Professional Developer. At one time the Professional Planner was considered to be an "economic and political visionary," with no appreciation of the hard facts of life. And the Professional Developer was thought of as a "fly-by-night promoter and option speculator". Today, both the Planners and the responsible Developer are recognized as highly skilled sophisticated professionals, working together, as they must, in areas of vital importance to the community as a whole. There are, however, inevitable conflicts. In the field of housing, for example, the Developer may wish to build a forty- or fifty-storey apartment providing four to five hundred dwelling units, and he feels that by risking his own capital he is making a significant contribution to the solution of the housing shortage. The Planner, quite properly, insists that the project conform strictly to the principles established by the Official Plan with respect to density, resulting changes in the volume and patterns of traffic, the availability of water and sewer services, schools, parks, recreational facilities, and the effect on the other residents of the area. As a result, the Developer is inclined to blame the Planner as one who is inflexible and who seems to delight in impeding the speedy fulfilment of vital economic decisions. These differences are usually resolved by reason and compromise when all concerned – the Professional Planner, the Developer, and interested members of the public – have the opportunity of presenting their views at open meetings of the Planning Board, who recommend the ultimate decision.

Planner and Developer alike must look to Government for co-operation and assistance in the provision of money at reasonable rates, essential services, and land assembly, while at all times adhering to the basic principle that there must never be expropriation from "A" to benefit "B". While Toronto has prided itself in having more privately owned homes than any other city on the continent, we are now being forced to re-think our whole philosophy with respect to housing, and it seems that, in the future, family accommodation will be quite usual in high-rise multiple dwellings at costs that are consistent with the ability to pay.

The future of this great metropolitan area is intriguing.

We look forward to the implementation of the waterfront plan, which was presented just last night to the Metropolitan Toronto Planning Board and the Waterfront Advisory Committee, by Mr. Grant Messer, now the Chairman of both. This plan, representing four years of work, and costing about $110,000.00, is for an area covering fifty-five miles of waterfront from Clarkson to Ajax, including the Toronto Island development and the new outer harbour, which will contain an area equal to two-thirds of the present harbour. The full development will depend upon decisions made by the Metropolitan Toronto Corporation working with the Ontario and Federal Governments, who are equally concerned.

It has been suggested that we need 800 acres of public park land. This may never be available, but we are encouraged by the activities of the Metropolitan Toronto and Regional Conservation Authority, which covers an area just slightly larger than the planning area, and which is constantly preparing and redeveloping plans and guarding park lands for public use.

Certainly, the future will see the redevelopment of the land owned by two Railroads at Front Street between Bay and Bathurst, which envisages a sophisticated combination of recreational, residential and commercial use in a site unsurpassed on the continent.

It seems logical that the C.B.C. will build its new facilities in this same general area, so that, together with the O'Keefe Centre and the refurbished St. Lawrence Hall, which was opened just two weeks ago, we shall, in fact, have a Centre for the Performing Arts in the heart of Metro without unnecessary duplication of theatres and concert halls, and thus complete our Centennial project.

The Canadian National Exhibition – still the largest annual fair in the world and solvent – will be modernized and fully developed for exhibition, trade centre, and convention purposes.

Hopefully, a syndicate of private citizens, with the co-operation, encouragement and support of two levels of Government will build a great astrodome stadium so that this great sports-minded area will have adequate facilities for major league football, baseball, and track. In sport, as in everything else, this community warrants and will support the best, as evidenced by Maple Leaf Gardens today.

The Department of Transport, working co-operatively with Metropolitan Planners, must plan the redevelopment of our International Airport, providing not only for the new jumbo jet age, but for smaller and more accessible facilities for local and inter-continental traffic, with provision for adequate ground transportation for both.

Within the next few years, the University of Toronto, which is world renowned in Arts, Science, and Medicine, will complete its great new Research Library for the Humanities and Social Sciences, and a new Medical Complex which will make this one of the great Medical Centres of the world.

It is essential for the welfare of this community that the Eaton Centre, the subject of recent controversy, become a reality because it will revitalize the centre of this whole planning area. Whether that great organization, which is world renowned for retailing, will wish to undertake this development themselves, as originally proposed, or whether they will prefer to concentrate on selling "socks" and leave this project to others in the private sector, is something that I would not be presumptuous enough to predict, but I can only hope that the next time "hysteria" will be no substitute for calm judgment.

Now I know that this is supposed to be an address and not a sermon. However, as I consider the future of the City, I am impelled to suggest in the strongest possible terms that we resist the temptation to encourage party politics in the municipal field, because, while this may seem to be the way to quick and efficient decision making, it can also lead to political abuse and the danger of a Tammany Hall type of Government, of which this City has been uniquely free. Our City has been well governed, and we are justly proud of this. We are also grateful for the very high ethical and moral standards of those who serve us as elected representatives and at every level in the Municipal Civil Service; and I suggest that, with all its faults, our present system should remain unchanged.

Finally, Gentlemen, the greatest dilemmas of all –

whether, after the review period in the 1970s, we move toward complete amalgamation or to a continuation and expansion of a borough system within a regional form of government, and the creation of satellite cities as referred to recently by the newspapers in a report not yet made public. Another question is whether Metro should continue to expand, as originally predicted, to the north, or whether because of the prohibitive cost of extending water mains from Lake Ontario to Lake Simcoe, and as a result of the success of the Go Go Transit System, it will, in fact, extend from Toronto Township on the west to Pickering on the east. Those who favour amalgamation argue that it is inevitable for reasons of political expediency and that it would, in fact, provide more efficient government; while those in opposition point out that it is axiomatic that the cost per unit increases directly with the size of government; that it would, in fact, create, in terms of population, Canada's eleventh province under one administrative unit, and this is a long way from local municipal government.

I am confident that as men and women of character and integrity continue to seek public office and responsibility; with the involvement of public bodies, such as The Board of Trade, and The Association of Women Electors; and as citizens generally continue to be concerned with the welfare of their City, and are willing to serve voluntarily on public boards and commissions; Metropolitan Toronto will continue to progress – prosperous and well governed.

I can think of nothing more appropriate than to close with a quotation from "Alice in Wonderland" which seems to apply to planning as it does to the list of speakers for the Club for this current season: "Jam yesterday; Jam tomorrow, but never Jam today."

Thank you!

Thanks of the meeting were expressed by John W. Griffin.

JANUARY 18, 1968

Britain Today

AN ADDRESS BY The Rt. Hon. Harold Macmillan
PRIME MINISTER OF GREAT BRITAIN
1957-1963

CHAIRMAN The President,
Graham M. Gore

JOINT MEETING THE EMPIRE CLUB OF CANADA
THE CANADIAN CLUB OF TORONTO

MR. GORE:

On March 11 in the year 1937 a Member of the British House of Commons rose to address The Empire Club of Canada on the subject of "Europe 1937 – Prospect and Retrospect." He spoke of the psychological and economic mistakes made in the policy toward Germany after World War I, he warned of the threat of Nazi Germany to the world, and he criticized the dangerous isolationist policies of many western countries. His address – which can be read today in *The Empire Club Year Book* of 1936-37 – is remarkable for its clarity, its common sense, and its call for positive action at a time when hysteria and half-measures were the order of the day.

The speaker was then in his early forties and he was introduced by the Club President, the late Major G. B. Balfour, as "one of the most promising and brilliant of the younger Members in the British House." Today – 31 years later – we see how that promise has been fulfilled, for today that man has returned to us as one of the leading political figures of our time – the Right Honourable Maurice Harold Macmillan, former Prime Minister of Great Britain.

Mr. Macmillan, it will be remembered, took over the reins of government from Sir Anthony Eden in 1957, following the Suez crisis, and played a major role in unifying and revitalizing the Conservative Party at home and stabilizing British influence abroad.

Actually, his ensuing term of nearly seven years as Prime Minister was the culmination of a long and eventful career in British politics as diplomat, Privy Councillor, and Cabinet member.

Of his qualities in public life, a journalist for the *Spectator* of London declared: "He has, as he has shown again and again in his life, an unusually wide-awake social conscience: or, if conscience is too presuming a word, it is perhaps better to say that he is acutely sensitive to the hopes, fears and wants of ordinary people."

Another London writer commented: "He may be the last of the suave, almost courtly British statesmen . . . who can turn up in Moscow wearing an astrakhan cap, or sit cross-legged talking oil with a Middle-Eastern sheikh without loss of dignity."

In the years before World War II, however, older Conservatives regard Mr. Macmillan as somewhat of a Party rebel. He is reported to have called front-benchers of Ramsay Macdonald's Coalition Government "a row of misused slag-heaps". His independent spirit also displeased Stanley Baldwin and Neville Chamberlain, reportedly described by him as "extinct volcanoes".

Sir Winston Churchill, on the other hand, saw him as "a man of fearless intelligence" who, like himself, had violently criticized the rejoicings which followed Munich. When Sir Winston became Prime Minister in 1940, Mr. Macmillan was appointed Parliamentary Secretary to the Ministry of Supply and in 1942 was transferred to the Colonial Office as Under-Secretary of State.

At the end of 1942 he was appointed British Resident Minister at Allied Headquarters in Algiers. There he participated in negotiations towards a settlement in France, his knowledge of French language and culture being a valuable asset. He was one of the key men at the Casablanca Conference and later became Acting President of the Allied Commission in Italy.

Following the war, he was Air Minister in the "Caretaker Government" in 1945, an important Opposition front-bencher by the spring of 1946, and a prominent British representative in the economic councils of Europe. In 1951 he was appointed Britain's Minister of Housing and Local Government and helped local authorities hasten the building of private houses, while decreasing the cost of public housing subsidies. In 1954 he was appointed Minister of Defence and in 1955 became Secretary of State for Foreign Affairs, succeeding Sir Anthony Eden.

Mr. Macmillan was born in London, England, on February 10th, 1894 – the son of a Scots father and an American mother. He is a grandson of the founder of the Macmillan Publishing House in London and has been a director, and, latterly, Chairman of that firm.

He was wounded in action during World War I while serving as an officer with the Special Reserve Grenadier Guards, and in 1919 he came to Canada as Aide-de-Camp to the Ninth Duke of Devonshire, then Governor General of Canada. In his book, *Winds of Change*, Mr. Macmillan recalls those ten months in Canada as "in many ways the happiest in my life!" And refers to the experience as "one of almost unalloyed enjoyment". Perhaps part of the reason was his interest in the Governor General's daughter, Lady Dorothy, a young lady whom he subsequently married and who bore him one son and three daughters.

Since his retirement, Mr. Macmillan has made very sure that no one can, with any truth, describe *him* as an "extinct volcano". At last report he was at work on the third volume of a projected four-volume set of his memoirs. The first two volumes, entitled *Winds of Change* and *The Blast of War* are already in print and have been described as the best memoirs to appear in the English language since those of Sir Winston Churchill. Earlier books by Mr. Macmillan include *Reconstruction: A Plea for a National Policy* (1934), *The Middle Way* (1938), and *Aspects of Defence* (1939).

Mr. Macmillan holds a B.A. in classics and mathematics from Balliol College, Oxford University and was appointed Chancellor of that University in 1960. He has always been a keen student of history and has sought to draw lessons from the past to apply in contemporary situations.

Before embarking on his present trip to Canada, he was interviewed in London by Alan Harvey of the *Globe and Mail* and expressed the need for a new western orientation, a new line of policy, and a new way of looking at the world.

When asked if he intended to guard against the Canadian winter by wearing the celebrated fur cap he wore for his meetings in Russia with Nikita Khrushchev, he reportedly laughed and replied: “Good heavens, no. I learned long ago that if you go to Canada in winter, you should take your thinnest summer clothes. All you do is move from over-heated hotel to over-heated apartment. Save your warm clothes for summer to guard against the air conditioning or you’ll catch a chill.” Having just experienced our biggest storm of this summer, perhaps, Sir, you have changed your mind about that fur cap.

Gentlemen: it is my privilege to extend a very warm welcome to our guest – a distinguished statesman, a valiant soldier, a man of letters, a world renowned publisher, and one who reads so many books that he is one of the best customers of the product of his own and his competitors’ publishing houses – and ask him to address us – The Right Honourable Harold Macmillan, P.C.

MR. MACMILLAN:

I am indeed grateful to the Empire and Canadian Clubs for arranging this function.

In conveying the invitation, the organizer was clearly apprehensive. For I received an urgent – almost tearful – warning that my remarks should not extend to more than twenty-five minutes or half an hour as the very maximum. No doubt he thought, like other people, that old men talk too long. Nevertheless, you must remember that they do not have long to talk.

It is nearly fifty years since I first came to Canada. It was in the spring of 1919, a few months after the end of the First World War – that terrible struggle which marked the beginning of a period of crisis and confusion in the world's history, from which we are not yet emerged. The story is no doubt known to you of Sir Edward Grey, the British Foreign Secretary – a man of deep feeling and imagination – standing at a window of his room in the Foreign Office on the evening of August 3rd, 1914. It was getting dark; the lamps were being lit in the park below. "Now," he exclaimed, "the lamps are going out all over Europe; we shall not see them lit again in our lifetime." He was to be proved right. Yet happily men are by nature buoyant and hopeful. Both the first war and that which followed within a generation were acclaimed as "wars to end war". After the first, a bold and imaginative attempt to secure universal peace was made by the formation of the League of Nations. It failed, for two reasons. First, it was not comprehensive. The most powerful country in the world, the United States, was not a member. Secondly, the League was armed with no real power. It could talk; it could not act.

After the Second War, the founding Fathers of the United Nations Organization, Roosevelt, Churchill, and Stalin, believed they could avoid these mistakes by ensuring that the new league should include every nation –

Allied, neutral, and in due course enemy – and that it should be armed with real authority, including a military staff and effective forces. These dreams too have proved vain, at least for the time being. So the shadow of a third war hangs heavily over a disillusioned world.

The underlying cause of the uneasy truce – you can hardly call it peace – that exists between the great armed camps, and the reason for the disorder and confusion that breaks out sporadically in many places, is the same. It is the polarisation of power into two opposing groups – the Communist and the Free World.

The United Nations Organization was to take the place of the old imperial systems which, from the Treaty of Vienna, until the outbreak of the First War, at least kept general order and spread increasing prosperity to every part of the globe. By one means or another these have been brought to an end. The independence of their constituent bodies was inevitable and right. But the process has been inevitably hastened as the result of the two great wars. Both Britain and France have been wise to bend before the winds of change before they reached hurricane force. Nevertheless, this has led to the rise of many new nations, great and small, some of which have been themselves further fragmented.

I came to Canada after over two years in hospital; as a cripple, with wounds not yet healed; I left twelve months later restored to health. I came alone, and left with a wife. So naturally I have a very happy recollection of Canada.

During all these years I have made and preserved many friendships in Canada – some with your leading statesmen. I can remember the dominant figure of Sir Robert Borden, whose work in crowning Canada with its truce insignia of nationhood must never be forgotten. After him, I well recall both those outstanding figures, Meighen and R. B. Bennett. Later, I became a friend of Mackenzie King, with his wonderful record of power, a man of extraordinary quality and resourcefulness. I knew and admired his successor, Mr. St. Laurent, whose exquisite courtesy did not always reveal the underlying strength of his character; John Diefenbaker, who was Prime Minister during the first years of my Premiership – a bonny fighter. I worked equally closely with his successor, Mike Pearson, whom we were happy to welcome in London a few weeks ago. In due course I may be able to become acquainted with his successor.

The only mistake I have made is in not coming last year – in time to join in one of the greatest events in Canadian history – Expo 67. But I know what it has meant and symbolized. You must indeed be proud of so signal a triumph.

But you all know about Canada. Perhaps you will want to hear a little about Britain.

Of course, I don't know as much about it as I used. I have an instinct, but it may be prejudice, that it is not so well governed as it was a few years ago. Never mind – a little local difficulty like that soon passes away. It is curious how differently one sees things according to circumstances. In the first twenty years of my political career I fought six elections on Tees-side. I won three and lost three. When I lost, I remember thinking what an absurd system democracy was – "counting noses! What a way to run a great Empire!" But when I won, I said to myself, "Ah! I always knew the British people were sound at heart!" In fact they are. Nor do they change very much. They are no different from what they were in 1914 or in 1940 – two critical points in my lifetime. Some superficial observers then believed them to have lost something of their old qualities. Kaiser William thought so; and later on Hitler thought so too. But they were both wrong. These were costly mistakes – costly to themselves as well as to all of us. Now I have no doubt some people are saying the same thing again – or hinting it. It is even repeated by individuals and nations whom we saved from disaster and restored to freedom.

Let me be frank about it. It is said that we are militarily impotent, financially bankrupt, and morally decadent.

Britain is not so powerful militarily in relation to other nations, as she was at the beginning of the Second World War. That is due to two simple reasons. First, the enormous rise in the population, wealth and armed strength of Russia and America. Secondly, owing to the transformation of the old Empire into the new Commonwealth, their resources and their strategic advantages have passed from our hands. No longer can we summon forth four or five Indian divisions from the sub-continent; no longer can we raise large bodies of troops from the dependent Colonies. Yet I do not think there is anyone in this room, who would recommend to successive British Governments the delaying of a natural development, so long foreseen and so carefully prepared, by which the benefits of self-government and independence have flowed from British policy.

Nevertheless, even after the reductions just announced, our expenditure on defence will be by no means negligible. It will compare in terms of gross national product not unfavourably with that of the Great Powers. Whether the deployment of our forces is likely to be the best advantage of the Free World, I am not so sure. Our presence in the Persian Gulf, even on a modest scale, constitutes an insurance of benefit of many other nations than ourselves. As regards the Far East, where the constant threat of Communism in Malaysia was largely contained by our presence in Singapore, and where substantial British forces gave comfort to our dear Australian and New Zealand friends, I much regret what seems like an abandonment of responsibility. However, I take some comfort in the thought that these plans do not take effect until a lapse of some years, and there is always the possibility of second thoughts.

On the financial and economic situation of Britain, I could speak for hours, but I doubt whether any of you would be much the wiser. Of course, nowadays everybody studies economics. Indeed almost everyone is an expert.

The interpretations are complicated, and often contradictory, yet the basic facts are clear enough. The First War dealt Britain a heavy blow. Up to then we had financed the growth of a large part of the world, especially the new world. Most of the public utilities – railways, harbours, docks – in the United States and Canada were built from British savings. All those investments were sold to defend the cause of freedom. Between the wars they were largely rebuilt in spite of many troubles. Once again, by the end of 1941, we pledged or sold them to face an arrogant Germany and to succour a stricken France. More than that, owing to the correctness of British financial methods, we found ourselves at the end of the war owing large sums of money to many countries. These were called the sterling balances. Often, as in India, they had been incurred, not for our own benefit, but to defend the peoples for whom we were responsible against aggression, whether German or Japanese. These sums amounted to hundreds, nay, thousands of millions. Gradually we have paid them off by export of our goods and services. But they have been unrequited exports – a burden rather than a benefit to our economy.

Since then, we have achieved a remarkable expansion in our productive capacity at home and in our exports overseas. Our exports have increased prodigiously. We have, of course, few raw materials or major sources of power; coal – the basis of our old industrial supremacy – is becoming gradually obsolete. Nevertheless, the old country somehow or another has succeeded in reaching a position where our exports per head are among the highest of any nation, large or small. Nor does this take any account of invisible exports – of ever increasing value and importance.

You hear some foolish stories about industrial disputes and strikes and the British workman being unwilling to work. Well take a simple test – the days lost per 1,000 persons employed, over, let us say, the last five years. In Italy these amounted to 1,170, in the United States 1,106, in Canada 408, in the United Kingdom 294. Finally, if we are obsolete, both as manufacturers and salesmen, as some critics declare, I will put to you one simple question. Why does the United States put up protective tariffs – notoriously aimed chiefly at British imports – of 30% to 40% on such products as nylon and terylene, 80% on polythene, 20% on machine tools, 50% on electric motors, and from 20% to 40% on glass? I have only taken a few at random; and now I understand the Protectionist Lobby in America is pressing for still higher rates.

What then is wrong? There are a lot of things wrong, as in many countries. One of our troubles is a curious jealousy of success in commerce and industry which seems to pervade many who ought to know better. But our chief difficulty is that, like many expanding enterprises, we have been trading beyond our means. We are short of cash, because our expansion has been so rapid. This results in an increase in home demand and of imports to supply it. So we have continual difficulties in the balance of payments. Unless a government is quick to put these right, even at the cost of unpopularity, trouble is bound to follow.

Moreover, we have the disadvantages as well as the benefits of sterling being the second largest currency for international trade, and a reserve currency into the bargain. This makes it especially exposed to troubles in any part of the world. These problems are bound to remain with us for some years to come. They can be dealt with by skilful management. Just as a good driver of a car applies sometimes the accelerator, and sometimes a touch of the brake, so a government should be able to steer the economy of our country. Of course, it must be prudent, not arrogant; cold sober, not drunk with power. Nor should it apply the brake and the accelerator at the same time. Not only is that a somewhat bizarre method, but it is bound to lead to a smash – as it has.

Now I come to the last point, perhaps the most difficult for an old man to deal with. It is said that we are morally decadent. At the age of rising 74 it is difficult to be very decadent oneself. One can only look around and see what is going on or read what is reported. I do not blame the Press; but remember that good news is no news. If one were to read the popular newspapers of any country one would suppose that the great mass of the people were occupied in adultery, drug-taking, robbery, or murder. But this is a superficial view. We do not hear about all the people that are not criminals or about the families living happily together. It is only the exceptional that is exciting.

Indeed, by the fundamental tests – their courage, their kindliness, their serious view of life and of trying to face its modern complications – there has been little basic alteration in the character of the British people.

At any rate, as one who has now no special cause to maintain, no axe to grind, no parliament or electorate to flatter, I dare to bring you a message of hope from the old country that has weathered so many storms in her long and glorious history.

Thanks of the meeting were expressed by H. I. Macdonald.

JANUARY 25, 1968

The Challenge For Canada's Equity Market

AN ADDRESS BY

John S. Deacon
CHAIRMAN OF THE BOARD
TORONTO STOCK EXCHANGE

CHAIRMAN

The President,
Graham M. Gore

MR. GORE:

What we call a Stock Exchange has been defined as "an organized market for dealings in negotiable securities issued by, and for the financing of governments, municipalities, public bodies, and business corporations, formed under the law of the countries in which they are incorporated".

In tracing the origin of this formal institution, we must go back several centuries to the informal setting of the coffee house of the day. There groups of men would meet to act as intermediaries between buyers and sellers – collecting a fee for their services.

As business grew, these middle-men formed associations, with rules governing their trading of stock, and these associations gradually evolved into the high complex stock exchange of today.

The Toronto Stock Exchange was established in 1852. At the start, twelve Toronto citizens met for half an hour each morning in the offices of one of their number. By

1861 it was possible to list 36 stocks for trading. Following Confederation in 1867, however, the Exchange expanded by leaps and bounds.

A glance at the stock listings in our daily newspapers reveals how tremendous that growth has been. Specifically, in the year 1967, the Toronto Stock Exchange handled over two million transactions, involving about 820 million shares. The value of shares traded was over three and a half billion dollars, an all-time high for the Toronto Stock Exchange. And, if you can stand one more statistic, you might be interested in the price of a seat on the Exchange. The seats are auctioned off and the price in 1967 ranged from $65,000 to $92,000.

The marketing of securities in Canada is the subject of a special York University study of the characteristics of the supply and demand for equities in Canada, which provides a look at the present structure of the capital market, particularly the stock market, and what the future may hold in this area.

The subject is one that has particular interest for our speaker today, Mr. John S. Deacon. It can be said, in fact, that a deep involvement in, and a comprehensive understanding of, the operations of the modern stock exchange, are the professional trade-marks of Mr. Deacon, who is Chairman of the Board of Governors of the Toronto Stock Exchange and President of the Brokerage Firm of F. H. Deacon & Company Limited.

A native of Toronto, Mr. Deacon graduated from the University of Toronto with a B.A. in 1934 and joined F. H. Deacon & Co. Ltd. that same year. He served overseas in the Second World War and retired in 1945 with the rank of major. He was elected to the Board of Governors of the Toronto Stock Exchange in 1960, became its Vice-Chairman in 1964, and its President in 1966.

In a concise booklet entitled *The Function of a Modern Stock Exchange* which was published in May of last year, Mr. Deacon revealed an authoritative grasp of his subject, befitting his prominence in the securities field. We can look forward to receiving the benefit of his specialized knowledge today as he speaks to us about "The Challenge for Canada's Equity Market".

Gentlemen – Mr. John S. Deacon.

MR. DEACON:

Until very recently, it has been the policy of the Toronto Stock Exchange Board of Governors to have the President do all the speaking on their behalf, and for them to avoid all public appearances themselves. I am here as a result of a change in policy which reflects a recognition by the Board of Governors of their responsibility, not only to the Members of the Exchange but to the investing public. If we are to continue to govern the Exchange, we must make ourselves known personally to this wider constituency and to report to them regularly concerning our activities.

I do not propose to bore you, today, with a repetition of what we have done to mend fences, put out fires, and to improve generally the operations of the Exchange, although we are justly proud of the leadership which our Exchange has shown in our industry. In the past ten years we have brought about a fairly thorough house-cleaning of our segment of the investment industry. The results have been felt right across Canada. Our efforts, together with the new Ontario Securities Act, have created for investors, an entirely new environment of integrity, disclosure, and competence.

We have now progressed to the point where we can afford to devote much more of our time to constructive planning and action, particularly in respect to the equity market in Canada. Our first move, and this has been under way for some time, was to improve the communications system for stock markets in Canada. Using our computer, we have moved vigorously into the field of communications and data processing. We have launched a completely new national communications system designed to meet the particular needs of the investment community in Canada. This is reflected in the publication in the press of our stock tables which daily are fed electronically and at high speed to the press and wire services across the country. Our dial quotation service, though still in its very early stages of development, is unique because of its low cost and availability any place in North America. Many other progressive steps are in the hands of our computer programming staff.

In assessing our capital market generally, we have taken note of some significant trends that have been occurring. The interest of Canadian investors in U.S. stocks has prompted a considerable number of our Toronto Stock Exchange members to join the Mid-West Stock Exchange in Chicago. Recently, the New York Stock Exchange has decided to allow Canadian firms to join that Exchange subject to the approval of the Securities Exchange Commission. There is some likelihood that the American Stock Exchange will do likewise. If all of the major Canadian brokerage firms were to join the New York or American Stock Exchanges, it would mean that the market for our more seasoned stocks might shift to New York. What control this will give the Securities Exchange Commission over our Canadian firms remains to be determined. These developments might not be in the best interests of Canada.

The growing importance of institutional investors in the market-place is reflected in their seeking to become members of stock exchanges in order to secure reduced commissions. The Pacific Coast Stock Exchange has admitted several mutual funds as members of that Exchange. Included among them is American Growth Fund, which is operated by a Canadian broker.

In Canada reduced commissions are available on large block transactions which do not take place on the trading floors of the Exchange and in which the general public have no chance to participate. The effect has been to reduce the liquidity of our Exchange markets. Within the next few years, the Toronto and Montreal Exchanges will be introducing new procedures in a effort to bring this business onto the Exchanges and thereby increase the breadth and depth of our equity market, to the benefit of both private and institutional investors.

Marked competition is emerging between various types of institutional investors. Banks and trust companies have launched their own investment funds. Insurance companies are now making strong drives into the retailing of what are the equivalent of investment funds. Such organizations as banks, trust companies and insurance companies have sizable sales forces and branch offices to mount a strong selling effort in this direction. Forbes Magazine recently remarked that it seems possible that the investment business in a few years may be dominated by giant institutions giving it an effect quite different from today.

To spur local development or to save public companies whose demise would create serious local depressions, governments have become joint shareholders with the public in various ventures. These trends plus government pension funds and the emergence of the proposed Canadian Development Corporation and its provincial equivalents are resulting in large amounts of money being accumulated by, or allocated to, government agencies. The funding and investing activities of these agencies will greatly affect the structure of the equity market in Canada.

Many of us older members of the Board of Governors in our so-called wisdom, express opinions concerning what is best for the future of the stock market in Canada. Fortunately, some of our younger Governors whom I like to refer to as "rebels" insist on facts and figures rather than opinions. It became quite apparent last year how limited was our background information about the stock market in Canada. Accordingly, discussions were begun with York University School of Business towards the launching of a study. We were gratified to find that not only was the University prepared and equipped to undertake such a task but that we would likely receive some considerable co-operation from various Federal Government departments towards developing statistics for such a study. In effect, the Study became a joint effort between our own statistical department, various Federal Government departments, and York University. The Study also involved directly and indirectly in varying degrees many financial institutions and other corporations in Canada whose unstinting co-operation helped us immeasurably. Some financial institutions in particular have expressed intense interest in certain of the sections of the Study, and we have hope that the results will be useful to these institutions.

My comments, today, are based on a very early draft of the Study which is entitled "Supply of and Demand for Canadian Stocks". It will be some considerable time before its text and statistics can be made available to those interested in the subject. It should be emphasized that the Study is not an exhaustive and final document. The Study is very much a preliminary examination of the equity marked, a pilot study which may likely point up vital areas that require more intensive studies.

As the Study began in 1967, it might have been appropriate to refer to it as our "Centennial Project". However, it seemed too selfish in its approach to deserve such a title. Perhaps now, through a more general use of its findings, it may become apparent that the Study has some real value for Canadians generally.

Because The Toronto Stock Exchange handles about 70% of the total dollar volume of trading in listed stocks in Canada, we realized it was our responsibility to work towards adding more depth, more breadth and greater liquidity to the market. By increasing the supply and demand for stocks, and hence the volume of trading, liquidity is increased. Liquidity is measured by the ease with which investors may buy or sell sizable amounts of securities without influencing the price unduly.

In order to plan the steps necessary to attain this latter important objective, it was essential to have a better understanding of the structure and trends of our Canadian stock market. This is the purpose of the York University Study, and I will now tell you about some of its more intriguing and interesting *preliminary* findings.

The Study indicates that between now and 1975, the additional demand for stocks by Canadian financial institutions and individuals *will be about double* the present annual increase in the supply of listed Canadian stocks. On the supply side, the Study estimates that the new equity financing of all listed Canadian companies averaged over $500 million a year over the four years 1963 to 1966.

The scarcity of quality Canadian stocks is due partly to the form in which foreign capital has entered Canada. Large blocks of capital have come into Canada as direct investment. By direct investment I mean advances to or investments in foreign controlled Canadian companies. About half of the largest corporations in Canada do not have any outstanding shares that are listed on a stock exchange. A number of these companies are controlled by Canadians, but most of them are subsidiaries of non-resident companies; non-resident companies that themselves are publicly traded in a foreign jurisdiction.

It is estimated that at the end of 1966 the pension funds, mutual funds and insurance companies held over $4 billion of stocks, $3 billion of this amount being in Canadian stocks. As fiduciaries, these institutions are reluctant to concentrate their investment in any particular company. Moreover by law, there are certain restraints against such concentration. Canadian institutional holdings have in the aggregate, already reached major proportions. At the end of 1965 they held over 20% of the outstanding common shares of eleven of the 101 largest listed Canadian companies, and between ten and twenty percent of an additional 25 of these largest companies.

The portfolio concentration of these institutional investors is also evident if one looks at the proportion of their total stock portfolio that is invested in relatively few companies. The pension funds and life insurance companies have about 93% of their Canadian stock portfolio in the 101 largest listed Canadian companies, while the mutual funds have 80% in these companies. Half of the total stock portfolio of all these institutions is invested in only 18 companies.

As the Study points out, it appears that if the institutions wish to continue to invest primarily in large well-established companies, their ability to greatly expand their Canadian stock portfolio is quite limited. More stock issues by established companies would be required. Otherwise, a substantial flow of funds will be directed into foreign securities.

On the demand side, the Study finds that if recent rates of growth continue and if the proportion of their total assets invested in stocks increase, as appears likely, pension funds, life insurance companies and mutual funds will be wanting to invest between now and 1975 almost $12 billion of new money in stocks. However, the Study points out that the rapid growth of the assets of these institutions in recent years may slow down and the increase in the relative size of the stock portfolios might not be so rapid. It should be noted that money presently invested in equities by individual Canadians might be moved into mutual funds. Even though this generates more money for mutual funds, it does not represent new money in the equity market.

If even three-quarters of the projected demand from institutions materializes, it means that between now and 1975 there would be about $1 billion a year of new money available for equities, or an aggregate amount of approximately $8 billion. This estimate of potential demand excludes any net purchases by Canadian individuals and Canadian financial institutions other than pension funds, mutual funds, and insurance companies. It also excludes any consideration of net changes in the portfolio position of non-resident, direct or indirect investors.

If the growth of stock holdings of Canadian individuals were to increase at a rate equal to half that of the gross national product, and if the growth of equity holdings by financial institutions other than mutual funds, pension funds, and insurance companies, parallels the growth of gross national product: then according to the Study, Canadian individuals and these other financial institutions would add an average of $300 million a year to their stock portfolios in the eight years to 1975. This in aggregate would amount to $2.4 billion in the eight years. Therefore, taking into account all major domestic demands for stocks in Canada, Canadians could have an average of $1.3 billion a year to add to their stock portfolio in each of the next eight years. This would work out to an *aggregate potential demand of over $10 billion.*

Mutual funds have shown the most rapid growth over recent years according to the Study. But, as they have increased substantially the proportion of their portfolio going into foreign stocks until their foreign stock holdings are now equal to their holdings of Canadian stocks, the impact of this growth has been somewhat muted. The growth of pension funds has exceeded 10% a year and can be expected to continue. More important, the porportion of their assets invested in stocks has more than doubled in the past five years and could well double again. Thus, pension plans could be an extremely important source of buying in the Canadian stock market, particularly if their purchases are not directed towards the foreign markets.

Undoubtedly, the most significant implication of the Study is the enormous potential demand for equities that will be generated by Canadian financial institutions and Canadian individuals in the immediate years ahead. The Study suggests that regardless of where these stocks will be bought, whether in Canada or the United States, Canadian individuals and institutional investors will be seeking to purchase between now and 1975 over $10 billion in equities. This figure could be conservative if, as seems quite likely, some of the major financial institutions will decide or will be allowed by law, to further increase the percentage of equities in their investment portfolio.

In my opinion, the findings of the Study, lay to rest, the old myth that had plagued us for years that there is a lack of capital in Canada for investment in equities. Not too long ago, it was clearly demonstrated to us that Canada's capital market has greatly matured. Recently, Canadians oversubscribed one single issue of $100 million of Canadian Pacific Investments Limited Preferred. It is my conviction that the capital is available if suitable vehicles for investment are offered.

To meet the projected demand for equities, the rate of new issues would have to more than double. Otherwise, it can be expected that the acquisition of foreign stocks by Canadians will increase dramatically. For example, the York Study points out that if the pension funds, life insurance companies, and mutual funds were to find it necessary to invest half of their total stock portfolio in foreign stocks, by 1975 they could well be holding *$8 billion in foreign stocks*. Thus, a substantial portion of the savings of Canadians would be invested in non-Canadian industries a development that might be acceptable, but one which at least must be recognized and assessed.

There are some startling inconsistencies in our market. We have an economy that requires massive amounts of capital. There are available unique investment opportunities. U.S. investors have taken advantage of these opportunities to invest in Canada by the end of 1966 a total of 27.3 billion. In 1966 alone, almost $1.1 billion came from U.S. investors in the form of direct investments while an additional $539 million was added to retained earnings of U.S. subsidiaries in Canada. While these large amounts of money are coming into Canada, Canadians are busily moving millions of dollars into U.S. equities. In 1967, the value of trading in U.S. stocks by Canadians exceeded the total value of the securities traded on the Toronto Stock Exchange. The Canadian equity market, if it were fulfilling its function, would provide the proper vehicle for directing Canadian investments into Canadian enterprises rather than U.S. equities. *This it has failed to do.*

Grave fears have been expressed as to the effect on the growth of the Canadian economy of the recently announced intention of the United States Government to enforce by legislation various formal restraints on the movement of U.S. capital. Little attention is paid to the growing imports of capital from other countries such as Japan, South Africa, Germany, Belgium and France. More important is the growing investment in equities by Canadians themselves. The study shows that in the 101 largest listed Canadian companies, Canadian ownership, has since 1962, increased in about 80% of these companies. If major U.S. based companies in Canada are to stagnate or even retrench because of United States Government edicts, then surely, this is an opportunity for us and others to take advantage of the vacuum.

In conclusion, I would like to enumerate the various points which have been mentioned. Many important changes are presently occurring in our industry. More and more savings are being channelled into securities through financial institutions. The decisions of relatively few people are now involved in the investment in securities of larger and larger sums of money. Competition between institutions for the management of such savings is intensifying. There will be changes in the characteristics of brokerage and investment firms; there will be changes in the types of firms that are permitted to become members or associated members of stock exchanges; and, there will be changes in the extent of participation by Canadian brokers or investment dealers in the U.S. stock exchanges.

The role of the government through pension funds, holding companies and economic development bodies, will become increasingly significant in the capital market. At the same time the Canadian Government may move towards encouraging a greater direct investment by Canadians in some of our crown corporations. There will have to be more investment opportunities of such a character as to attract both individuals and financial institutions.

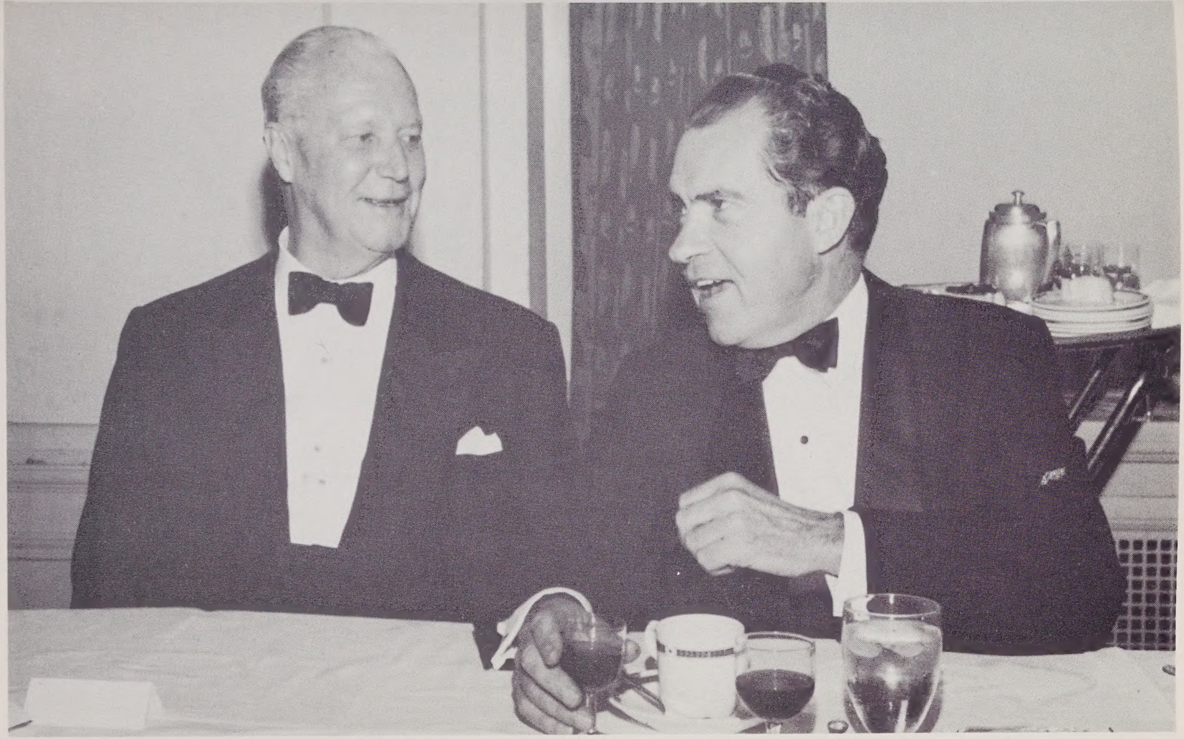
The most important implication of the York Study is that there will be substantial supplies of Canadian capital available for investment in equities. Our industry, the financial institutions and our Canadian corporations must provide the necessary investment vehicles so that our equity market can properly allocate Canadian savings to sound Canadian investment opportunities where the capital will be used in the most efficient manner. This does not mean that we must buy back everything already owned by foreign investors in Canada. It might well be that the best investment opportunities for Canadians in Canada would be in providing the additional capital which will be required to finance the continued growth of our economy.

Our objectives of developing a more mature equity market in Canada are not purely selfish. A sound capital market is essential for the development of the economy of the country. The Toronto Stock Exchange acknowledges its responsibility in respect of the future development of our market, but the public and our major financial institutions also have some responsibility. Money going out of Canada into foreign countries does not further the development of our own capital market and our economy. There are, and will be, outstanding investment opportunities in Canada. It is for the public, financial institutions, corporate manager, and the Exchange community to identify these opportunities and devise the vehicles for channelling Canadian savings into them. For those Canadian corporations which have shown enterprise and expertise in their fields of endeavour Canadians have been quick to make capital available. Such companies can be the vehicles through which future Canadian investors can invest their money – all $10 billion of it – in the future of Canada.

Thanks of the meeting were expressed by J. G. K. Strathy.

July 11, 1967 – The Centennial Dinner
Admiral-of-the-Fleet, Earl Mountbatten of Burma, k.g.

November 30, 1967 – His Excellency The Right Honourable Roland Michener, c.c., c.d.,
Governor General of Canada

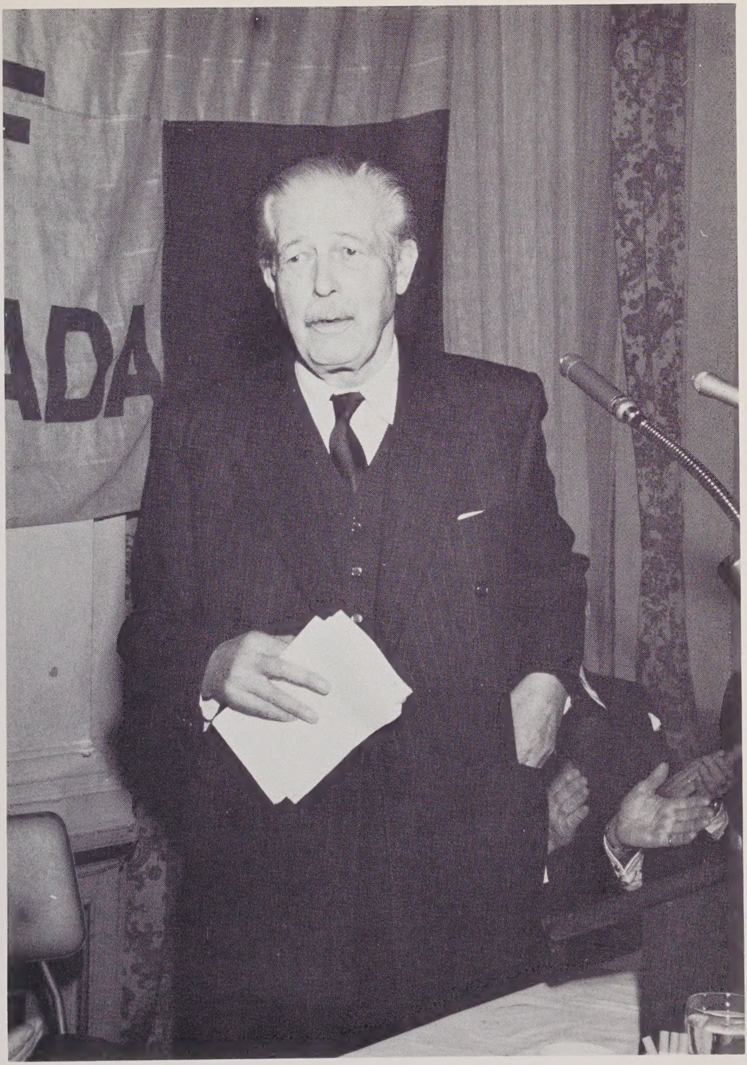


May 24, 1967 – Hon. Richard M. Nixon,
Former Vice-President of the United States of America

JUNE 1, 1967 – HIS GRACE THE ARCHBISHOP OF YORK, DR. F. D. COGGAN

March 28, 1968 – The Rt. Hon. John G. Diefenbaker, P.C., M.P.

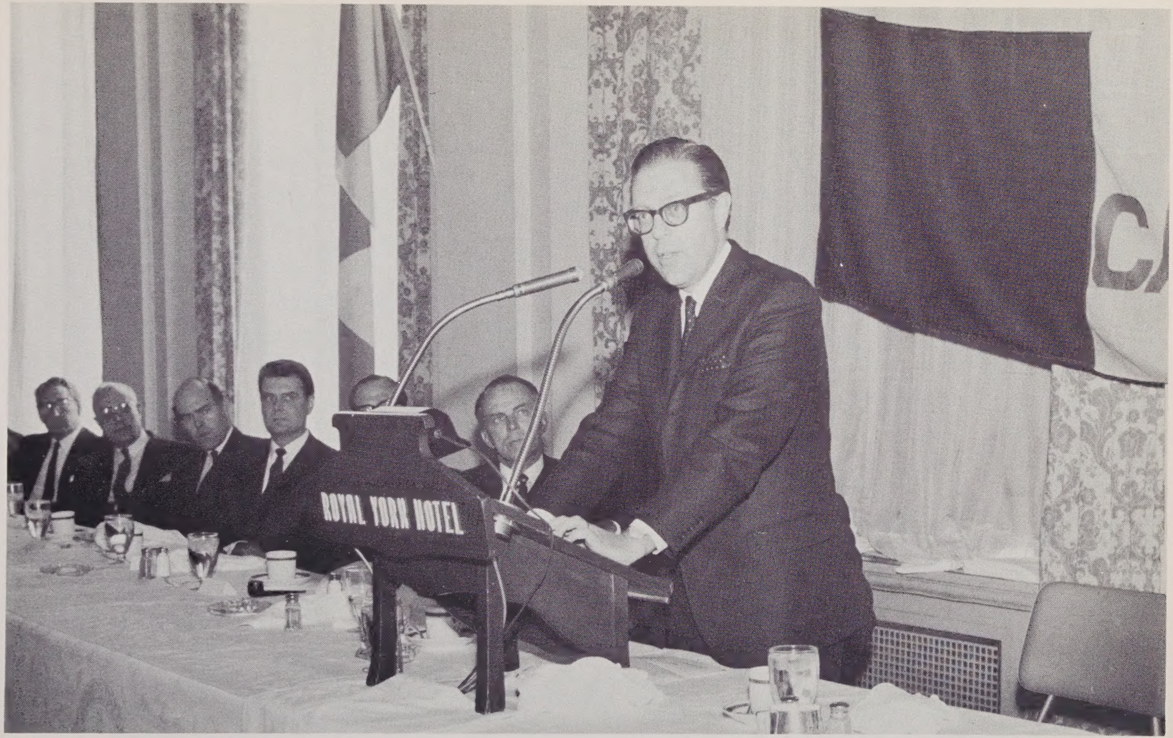
March 7. 1968 – Dr. Omond Solandt – A Science Policy for Canada



JANUARY 18, 1968 – RT. HON. HAROLD MACMILLAN,
PRIME MINISTER OF GREAT BRITAIN, 1957-1963
(The "unflappable Mac")

NOVEMBER 9, 1967 – ERIC KIERANS – "THE NEXT HUNDRED YEARS"

FEBRUARY 29, 1968 – RONALD H. GRIERSON
"BRITAIN'S PROBLEMS IN PERSPECTIVE"



April 4, 1968 – Knowlton Nash, CBC Washington Correspondent

October 18, 1967 – Loyal Societies Dinner in Honour of
H.R.H. Princess Alexandra and the Hon. Angus Ogilvy

OCTOBER 5, 1967 – ARNOLD SMITH – "MR. COMMONWEALTH"

November 2, 1967 – Col. L. F. Urwick, o.b.e., m.c., m.a. (Oxon)
Distinguished Authority on Management

November 23, 1967 – Arthur Erickson,
Vancouver Architect for pavilions at EXPO '67 and EXPO '70

FEBRUARY 15TH, 1968 – DR. ROBERT B. MCCLURE
Distinguished Missionary Surgeon, The United Church of Canada

May 17, 1967 – Rt. Hon. Edward Heath, P.C., M.B.E., M.P.,
Leader of British Conservative Party

FEBRUARY 8,
1968

Why Students Rebel

AN ADDRESS BY Dr. Murray G. Ross
PRESIDENT, YORK UNIVERSITY

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

No doubt everyone here has, at one time or another, heard the charge that universities traditionally turn their gaze inward, purposely maintaining a monastic detachment from surrounding society and much preferring theoretical preoccupation to practical involvement – or words to that effect.

While there has been justification for this view at certain times and places, there have been definite signs that it can no longer be applied in a general way. Today we find the academic community often has its eyes keenly focused on contemporary society and is responding in a constructive way to specific social problems.

York University, here in Metropolitan Toronto, can be taken as a case in point. Incorporated in 1959, York admitted its first students in 1960. In the comparatively short time since then, it has already gained a reputation as a flexible and progressive centre of learning.

Among the developments contributing to this reputation have been its special studies of current social phenomena, its centre for continuing education, its degree programme for part-time students, and its emphasis on an approach to modern liberal knowledge through interdisciplinary study.

Such progress can be attributed in no small measure to the leadership of York University's President, Dr. Murray G. Ross, whom we are privileged to welcome as our guest speaker today.

Not only is Dr. Ross a distinguished leader in the academic life of this country, he is an accredited and articulate social scientist who has, with fruitful results, brought specialized insight and broad learning to bear upon many areas of modern society, particularly on varied aspects of man in community.

Books by Dr. Ross include *Towards Professional Maturity*, *Religious Beliefs of Youth*, *New Understandings of Leadership*, *Case Histories in Community Organization*, and *New Universities in the Modern World*. His many articles in newspapers, magazines, and periodicals, have dealt with such subjects as "How to Fight Failure in High School" and "Are New Housing Developments Class Ghettos?". He is also the author of a number of pamphlets that include a study of "Education in the U.S.S.R." and a report for UNESCO on the "Theory and Principles of Community Development".

Dr. Ross was born in Sydney, Nova Scotia, in 1912. He obtained a B.A. in economics and sociology from Acadia University, an M.A. in sociology from the University of Toronto, a doctorate of education in social psychology from Columbia University, New York, and a doctorate of civil law from Acadia University.

In 1953 he was awarded a UNESCO Fellowship for study in England, France, and Israel. In 1957 he was a Canadian delegate to the Conference on the North Atlantic Community, held in Bruges, Belgium. In 1958 he undertook a five-week study of education in the U.S.S.R. and the People's Republic of China.

Before assuming the presidency of York University, Dr. Ross was Vice-President of the University of Toronto where he had previously been a professor. We are proud to say that Dr. Ross is a Member of the Board of Directors of The Empire Club.

Today he is going to speak to us about a problem that exploded into prominence in Berkeley, California, and was given front-page coverage in North American newspapers. I refer, of course to rebellion by University students. Since then, there have been further incidents of student rebellion in American and Canadian universities. Furthermore, in addition to the collective, overt kind of rebellion, there has been a quiet, individual kind of rebellion – the kind that results in the "drop-out": the student who loses interest and withdraws from school.

If I may just interject a personal note – those of us who have spent a good many years in the Secondary Schools, and that includes a number of men I see here today; are much aware of this problem and of what School Boards in Metropolitan Toronto are doing through special schools, special programmes, and special services to cope with it.

Society's reaction to student rebellion – and perhaps the reaction of many of us in the school system – has been a mixture of astonishment and annoyance, expressed in such questions as "What's gotten into these kids?" or "What are they after?" or "What are they trying to prove?"

We can be sure that our speaker is fully aware of such questions and deeply concerned with the problems that have provoked them. He has, in fact, entitled his address, "Why Students Rebel". It is my pleasure to call upon him at this time. Gentlemen – Dr. Murray G. Ross.

DR. ROSS:

These are hard times for university administrators. They are apt to spend their days in ceaseless debate with angry student leaders, reviewing contingency plans for riot control, or desperately attempting to extricate some hapless recruiter from the basement of the university employment service. They may share the experience of one of my colleagues whose office was literally invaded or, which has become quite a common practice in North American universities, simply be prevented from using their offices at all. Returning home in the evening they could find their front lawns covered with students protesting the dismissal of a faculty member or the raising of residence fees. Not for them the gentle pleasures of quietly perusing Euripides nor even, which is more serious, do they have sufficient time for the exhilarating and vitally significant work of academic planning, and budget preparation, and consideration of senior appointments. In another sense than the physical, the student has forced his way into the university president's office, and he will not be dislodged.

The current wave of student protest has provoked many differing public reactions. Radicals of another age, who may have been inflamed by Sacco and Vanzetti or inspired by the Regina Manifesto, but who have long since ceased to feel the fire in their bellies, have experienced a vicarious thrill at what they have perceived to be the long-awaited movement for the final reconstruction of society. In this delusion they have been assisted by the apostles of student activism. Paul Goodman, for one, has called today's undergraduates "The New Aristocrats – America's emerging power elite." And the news media have further exaggerated both the numbers of student protesters, the coherency of their programmes and the potency of their leaders. The availability of television cameras and newspaper reporters to cover every outbreak of student dissent has caused many student leaders to stress exhibitionism in their style and strategy, and extremism in their programmes. In consequence of this intensive coverage by the media the general public has been badly misled about the quality and quantity of student protest. In fact, Clark Kerr of the University of

California, with some justification, calls this the "exaggerated generation."

The most common reaction to student rebellion is the conservative one, typical of most of the older generation. It is a reaction of disapproval compounded by bewilderment. The public seem to hold an image of the student activist, or even of the average student, which is generally a sort of mental mélange of leather jackets, waving placards, long greasy hair, LSD and flaming sex, and to which the wholly inappropriate terms of "beatnik" or "hippy" are indiscriminately applied. This distorted image is also, to an extent, the fault of radio, television and the newspapers. Its distortion is the greater because the older generation has failed to grasp the tremendous cultural transformation which the campus has undergone in the last decade and a half. Rebellion and causes of rebellion aside, our present students are far more conscious than their predecessors of the importance of education for themselves and their society. They are also far more likely to be concerned about events beyond the campus, for they have known the television set almost all their lives and it has indelibly impressed them with the immediacy and significance of a bombing raid on Hanoi, a march on Selma in Alabama, or the squalor of a Métis community in Saskatchewan. And norms of student behaviour have changed too. The campus of football heroes, debating teams and Saturday night dances has been transformed into the campus of self-examination, teach-ins, and community projects.

I should like this afternoon to attempt a clarification of the general impression of student revolt for, whatever its shortcomings, it emphasizes in an awkward and fumbling way some of the weaknesses in the contemporary order of things. Some of you may not think I am an entirely legitimate spokesman for student power. I can only say that I have felt the brunt of student activism many times and have occasionally sensed something of the truth of Dr. Johnson's dictum that when a man is about to be executed it concentrates his mind wonderfully. I have recently been concentrating my mind on the current varieties of student revolt and would like to give you some of the results of my thinking.

All the varieties of student rebel – political activists, Bohemians, volunteer social workers – do not together amount to even close to a majority of our undergraduate population. You may then ask why so much attention is paid to them by university presidents like myself. Are they indeed representative of the mainstream of students and can they ever claim to have the whole campus behind them?

Certainly the majority of students do not share all the views of the radicals, or even know and understand them. On several Ontario campuses lately the vanguard of student protest has been stopped in its tracks by open and organized opposition from within the student body. But neither are the student radicals entirely unrepresentative. Most of the time they articulate some of the suppressed and unarticulated notions of the majority of students who may not themselves join in protest activity, either because the social skein holds them a little more tightly than their radical fellows, or because they are antagonized by some of the more blatantly childish tactics of the radicals, or because they think that there are more important things to do at college than wave placards, man picket lines, or enter student politics. But it would be an error of great proportion to assume that the "silent majority" is a collection of deadwood. Generalizations about this particular group of students are difficult but I would guess that it exhibits a greater degree of consciousness about self and about society than has been witnessed before on the campus. In the event of a major crisis, like one of academic freedom, it could be marshalled behind the radicals. What is important is to recognize that there has been a deep and pervasive change in student attitudes. The activists are merely the most obvious manifestation of this change.

There are two reasons why radical activists are taken seriously on the campus. One is their strategy, borrowed from the civil rights movement, of sit-ins and demonstrations which has caught many administrators, accustomed to quieter times, completely off guard. We have suddenly found we have to reconsider our role and responsibilities with respect to students and sort out our priorities; one such priority we are now intent upon establishing is that law and order will be preserved on campus. The other, and hopefully more significant, reason for whatever success the activists have enjoyed is that we in the faculty and administration of the universities have had to admit the considerable force of many of their arguments. Revolutions are always made by minorities and are usually initiated by small groups of intellectuals. The mere fact that our student activists have constituted a minority is no reason for treating them lightly.

What is it that periodically raises the temperature of a campus to the boiling point in the 1960s? What are the underlying causes of student rebellion – the noisy rebellion of the placard carrier, the sullen rebellion of the alienated, or the silent rebellion of the many who have not yet committed themselves to open conflict?

My first point must be a paradox. Contrary to some of our common notions of revolt, it is the affluent society which is the breeding ground for student dissent. For the protesters are not themselves the disadvantaged, they are the advantaged, as are most of those who are in the process of gaining a higher education. They are chief beneficiaries of two decades of economic progress since the War and yet if anything their well-being appears to have sharpened the critical gaze they turn on society.

It is not to disparage the quality of their criticism to say that they are the first generation that can afford to be critical. The pressure to earn a living which often served to resolve their parents' problems of conscience, and made it easier to compromise one's principles in the name of survival is not a pressure which they feel. Eric Hoffer, the celebrated San Francisco longshoreman, has said of the student generation: "They haven't raised a blade of grass. They haven't laid a brick." But he neglected to add that, as far as youth are concerned, they haven't missed anything by not doing so. The competitive struggle for affluence holds no challenge for them when they have already achieved a measure of affluence without struggling for it; the customary ways of earning a living are likely to appear rather drab to them in such circumstances. Nor does the enjoyment of affluence excite them for they have known this enjoyment most of their lives; some of them will have travelled farther than their parents before they even get to university. They may actually begin to romanticize poverty because they react negatively to the way their parents have handled their new wealth. In short then, our society has lost its grip on them.

Thus no practical or material concerns stand in the way of face-to-face confrontation with the anomalies, the inconsistencies and the hypocrisies with which past generations have borne. Today's students measure our society's practices by its principles; and they find the practices to be woefully wanting. We profess, in our classrooms, our churches and our parliaments and, I confess, in convocation addresses, certain notions of equality and justice and freedom and dignity of the individual and we drum these notions into the heads of our younger generation. Could we not expect they would throw them back at us? The unlikelihood of children from poorer homes going on to university offends their notion of equality. The depraved condition of the Canadian Indian offends their notion of justice. The quality of life in the Spadina slums or in the negro quarter of Halifax offends their notion of the dignity of the individual. They can't muster the enthusiasm and energy of American student reformers because they don't have the impetus provided by Vietnam and widespread and glaring social injustices. Yet, among a certain segment, the reforming instinct is strong. Their complaint is an angry one for the old values, it appears, are being given mere lip service. The older generation talk about love and brotherhood and peace but accept a way of life that seems to repudiate these values. The radical voice is an impatient one which argues that those who warn of complications and see the need for restraint and compromise, simply seek to excuse inaction. It echoes Dante when he said: "the hottest places in Hell are reserved for those who, in times of moral crisis, preserve their neutrality."

Apart from the glaring gap between aspiration and actuality it is the general quality and direction of our society which most disturbs and antagonizes the student generation. Under the impetus of an increasingly sophisticated technology every branch and institution of this society is becoming more rationalized, more specialized, more bureaucratized. The large corporation, the computerized government department, the vast multiversity, are indicative of this trend and the consequence of it is a considerable increase in shared attitudes among those who run our major institutions. In the students' eyes, they inhabit the great grey world of a homogeneous bureaucracy where their highly trained minds are focused on highly specialized areas. They are prevented from taking an overview of society by the narrowness of their orientation. Professors, lawyers, businessmen or civil servants, all branches of the meritocracy are driving themselves to become more and more proficient in their specific fields and there is no one left to rescue the human values and ideals which may be going under.

The student is not a primitive Luddite; he is not trying to turn back the clock. But to him the trend to a hyperorganized, highly skilled, technologically based society seems to imply the abandonment of human individuality. It is the narrowness and sterility of this new order which accounts for the old values being lost from view. Its first priorities are efficiency and organization which are not necessarily the first human priorities. Furthermore, it seems to be all-pervasive, which not only makes dissent from it practically and psychologically difficult but also militates against variety and individuality which are essential if we are to continue to live as persons and not as white-coated creatures of the machine. The student agrees with Archibald MacLeish's belief that "slavery begins when men give up the human need to know with the whole heart – to know for themselves." The student is particularly concerned to be recognized as an individual because he has only recently become aware of all his personal and intellectual faculties and has no desire to have them crippled by a sterile conformity. Yet all institutions, all power elites seem to asquiesce in the new and stultifying order. Old radicals thought politics provided a chance to accomplish real social change. Though more students from the mainstream take part in politics than before, the young radicals and activists generally regard orthodox politics with some suspicion. Perhaps their last link with the old politics was with President Kennedy or in Canadian terms with two middle-aged intellectual swingers – Pierre Trudeau and Dalton Camp.

For today's student then, society is definitely out of joint. Furthermore, the traditional avenues of change appear to be clogged by the new all-pervasive bureaucratic culture. There is no one to shake up society if he doesn't do it himself. In the old days students rebelled in order to gain a change of policy or attitude on the part of their elders. Now they rebel in order to win a place in the decision-making process for themselves. They don't want to be excluded or ordered because they think they have a clearer insight and a more lively conscience than their seniors. They want to be able to translate their social ideals into practical positive actions, and they want to do it now, before they themselves are "taken in" by the organized society.

The student's impatience with the role of an anonymous subject, his desire to be treated like an autonomous individual, are reflected in his objections to prefabricated norms of behaviour. When confronted by rules in a university residence he wants to know the reasons behind the rules, or, more likely, why he himself is not considered capable of governing his own moral life. He is reinforced in this stand by what he quite accurately diagnoses as the insecurity of the older generation. When his elders appear to advocate one code of personal conduct but to live by a rather different one, it becomes clear to the student that he need not consider himself bound by approved standards and that there is probably something seriously wrong with them. The traditional props of social life have crumbled; in particular, the family no longer exerts its former influence on the upbringing and attitudes of its members. If, as suggested earlier, the student shares the values of his parents, he sees his parents and his teachers no longer deeply concerned about translating these values into concrete prescriptions or standards of behaviour. That is another thing which sets apart the current wave of student protest from past incidents of youthful revolt. The old guidelines of behaviour are gone and, in a way quite different from his predecessors, the student stands alone.

Though politicians and parents have certainly felt the force of student activism, it is the universities which have borne its brunt. The student feels particularly at home in, and identifies with, the university not just because of formal affiliation but because it is one institution which has traditionally shared his rebellion against materialism and conformity. Yet now it appears to be becoming just the handmaiden of the new techonology. Its methods, its organization, its curriculum, all seem to be tailored to the requirements of the outside world. When a computerized grade report is the only means the student has of measuring his intellectual progress, when professors cannot be found in their offices because they are away on "task forces" and consulting missions, the student may conclude that the university has abjectly surrendered the job of stirring up and challenging its students and its society and is instead trying to enfold itself in it. As he sees it, the university nowadays is bent solely on producing grist for the economic mill, turning out generation upon generation of dull unimaginative and highly skilled recruits for computerized careers in the lifeless world of the machine and efficiency expert. He views the university as Professor Henry Aiken of Brandeis saw it in a recent lecture which he gave at York University: "an educational monster which devours its young, processing them into a kind of all-purpose compost for refertilizing the great briar patch of the national society."

The university, nevertheless, remains capable of spawning its own rebels. It awakens them to social injustice, develops their sensibilities and emotions, heightens their sense of their own individuality, and when they come to want to exercise these new faculties it is the university which confronts them in all its imperfections. For the student rebel the campus is not a training ground; it is a battleground. It is the first opportunity to put his theories of social action into practice but it is more than that for it has, potentially, a primary role to play in shaping the values and attitudes of society. They demand the right of participation in the government of the university because they believe that only by the involvement of all its members can the university regain its humane values and provide constant witness of those values to the outside world. But they also want this right so that the university can be at very least the scene of serious social experiments and at best a real engine for social change.

One of the reasons we are instantly repelled by the picture of students on picket lines and in mass rallies is that our idea of education is simply not consistent with these activities. We are offended by the notion, which many students enthusiastically support, that the university is a political community, and we find it hard to understand the passions that go into student revolt and the energy devoted to making seemingly niggling points. We have accustomed ourselves to the idea that universities exist for the preservation, propagation and increase of knowledge and for us the technological age, with its sophisticated systems of information retrieval and data processing appears to hold fantastic promise for the carrying out of this role. "That is your biggest mistake", the students are telling us. "Knowledge isn't a community and the university isn't, or shouldn't be, a factory for its production. The real educational experience is the awakening of one's own sense of personality and of one's relations with other people and this comes by participating in the conduct of our moral and political lives and not by the simple absorption of knowledge. The only kind of knowledge that really matters is knowing how to live and our university years should be a preparation for living."

What should be our response to the unease and disquiet that pervade the campuses of North America? In the current language of the student generation we must "keep our cool". I think we can open the most fruitful sort of interchange with the younger generation by taking an attitude that is at once sophisticated, tolerant and critical. We should be challenging the naivety of some of their notions of decentralized decision-making. We should be pointing out to them that eccentricity in dress and behaviour does not really amount to independence. We should remind them that the frequent use of four-letter words does not necessarily reveal creativity nor maturity. At the same time we should admit that they are one of the few segments of society interested in the great religious values of the ages and in genuine social experiment, and that they have held in front of us principles which we have only preached and too often have forgotten how to practise. For this, they deserve our genuine respect. But we are not all wrong any more than they are always in the right. We each have something to say to each other. We can each benefit from each other's views. We must start the long and demanding dialogue that is essential if we are not to succumb to angry extremisms. But let us not be too concerned with neutralizing student rebellion. Its better side is a worthy attempt to build a more human environment for us, and to compensate for the deadening influence of an over-organized society. That is an aspiration and an endeavour in which we should all want to participate.

Thanks of the meeting were expressed by A. J. Langley.

FEBRUARY 15, 1968

India After the Raj—Showcase of Democracy

AN ADDRESS BY Dr. Robert B. McClure,
M.B., F.R.C.S., F.I.C.S.
MISSIONARY-SURGEON

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

On October 12, 1967, we were privileged to welcome the High Commissioner of India in Canada as our speaker. Those of you who were present on that occasion will recall listening with great interest as he spoke to us about his native land – that great sister nation within the Commonwealth.

In the introduction of the speaker on that day the following lines, written by India's Nobel Prize-winning poet, Rabindranath Tagore, seemed particularly suitable for the occasion:

"Now the door has opened to West
And gifts in hand they beckon and they come –
They will give and take, meet and bring together,
None shall be turned away
From the shore of this vast sea of humanity
That is India."

The same quotation also serves as a fitting prelude to the remarks of our guest speaker today who will also tell us about India – offering a view of that "vast sea of humanity" through the eyes of a Canadian who has journeyed there to devote his skill to alleviating physical suffering. He is Dr. Robert Baird McClure, a medical missionary of the United Church of Canada, who is Medical Superintendent of the Ratlan Christian Hospital of the Central India Mission.

Our speaker was educated in Toronto, graduating from the University of Toronto with a Bachelor of Medicine degree in 1922. In 1923 he was appointed a medical missionary to Honan, North China, and in 1931 he was named a Fellow of the Royal College of Surgeons, Edinburgh. He is also a Fellow of the International College of Surgeons.

Following his study of radiology in Europe in the summer of 1934, Dr. McClure was the only medical missionary in India and China able to provide radium treatment for cancer. In 1937 he was on loan to the International Red Cross as Field Director for Central China during the Sino-Japanese conflict.

In 1938, he attended the International Missionary Council meeting at Madras as the only medical missionary among China's delegates. For over a year thereafter he supervised the transport of medical supplies into China from abroad, and subsequently served as Director of the Friends' Ambulance Unit in China.

With the closing of the China field, he took up medical work on the staff of the Church Missionary Society Hospital at Gaza, Palestine, and served there until 1954. He then proceeded to India to engage in hospital work with the Central India Mission. As Medical Superintendent of the Ratlan Christian Hospital, he has established a wide reputation as a surgeon and is also active in promoting public health measures such as T.B. surveys and mass innoculation campaigns.

Gentlemen – may I now present Dr. Robert Baird Mc-

Clure, a skilled man of medicine and a dedicated humanitarian who will speak to us about India today. Dr. McClure.

DR. MCCLURE:

Canada can well be described as "the land between". We are a relatively small, well-developed country associating in our culture and economies on the one hand with large and developed nations referred to as "the western world". But, as our national motto says we stretch "from sea to sea". On our west coast we face on Asia and those crowded, developing lands we might classify in modern terms as "where the action is" – The Far East. We are intimately involved with them in both politics and economics. One has only to pick up a newspaper to realize how great this involvement is. Both our headlines and the news remind us of this other part of the globe. As a Canadian with some Canadian viewpoint who has worked in India for the past 13 years, I should like to give you a brief sketch of what she looks like to a Canadian.

For all developing lands today there are offered two roads to improvement. These are illustrated and demonstrated by their two great examples. China with 800 million follows the dictatorship pattern and India with 500 million following a democratic pattern of society. North America including Canada had her basic development at a time quite different from the atmosphere of today. It is wrong to think, therefore, that a developing state today would follow our pattern of progress. We surely do not need to remind ourselves that "times have changed". To the developing nations throughout the world today India is, in the words of our title, "The Showcase of Democracy".

One of the very good hypotheses for the Sino-Indian war of 1962 is that China as the showcase for the other pattern of development, wished to show up India's military weakness and to impede her democratic development.

The Indian army having been designed for internal security chiefly, was caught unawares so that if this was China's intention it was to a certain extent successful. It did force India to take much-needed funds from constructive development and put them into a military defence budget.

Generalizations are always dangerous and there are many exceptions to them but by and large most developing lands have the problems of rapid population expansion so that the very numbers involved in relation to the government facilities form a problem. There is also the economic problem of finding money for the increasing production of both consumer and capital goods. These are both well illustrated in India's case. India's progress is being watched by the western world with curiosity; in the case of Britain with a maternal interest; but by the developing lands it is being watched with a very involved fascination. One wishes and hopes that Canada's vision will always be tinged with a sympathy arising from our being a sister member of a Commonwealth – a Commonwealth which I firmly believe is not yet dead.

Unlike the pattern of development in older democratic nations development today in order to be rapid and efficient is done with much more government planning. There was a time when the Jeffersonian claim that "the best government is the least government" was widely held. Without entering into any political argument, I think, merely as an observer, one can say that this maxim is not widely applied today. It is also a feature of those areas that have been under British administration for any considerable period (India had 200 years of British rule) that one of the legacies bequeathed to them when they got their independence was a rather large government machinery and an almost inflated civil service to administer it. Even as we say this we can point with pride to the orderly devolution from colony to independence of the former British territories. Such orderly devolution is unsurpassed in world history. India could be held up to the world as an example of this legacy. It has meant that she had a large cadre of administrative personnel of great competence, though at times lacking in vision and imagination. No theory is valid in this practical world without the resources to implement it. Perhaps it was just because she had this personnel that India has delegated to government much in the field of development which in previous times in our land was left to private enterprise. Most of the electricity supply, the railways and many factories were set aside as being in the field for government activity. The field remaining for private enterprise and exploitation, if you like, is quite large yet even in this sector too there is much government-designed planning in evidence. There is also a considerable part of the field available for joint government and private co-operation. For solving this problem for developing countries India is both a most useful experiment and demonstration. Even in the field of the government's sector of development India has been quite practical rather than doctrinaire in using private contractors. To any observer the development of a country by plan does seem to be more efficient. Thus we do not see parallel railway lines being laid down nor are the national highways being built parallel to the railroads. We see a standardization of electric supply which will never involve them in converting from 25 cycle current! The whole of the sub-continent is on one current, 220 volts 3 phase 50 cycle, and already an extensive grid system is developing to make full use of this uniformity.

So often like passengers on a ship we notice the waves but forget about the unseen tides and currents that worry the captain. So the tourist in India and even the short-term correspondent notice the superficial difficulties to the neglect of some great achievements. For instance what is seldom noticed by the transient is that there is a marvellously effective and honest judicial system. It is so honest that they do not even have jokes about it. This applies to both civil and criminal law. There is also a marvellously efficient administrative system implemented by an officer known as The Collector. This is something like the city-manager idea being expanded to cover administrative districts as big as a county. These men are highly trained and of excellent calibre indeed. They are appointed and not elected. Usually the District Superintendent of Police goes with the Collector and the pair may be teamed up for a lifetime of service. Thus we see that however inexperienced may be the elected officer of a city administration or however divided the city council may turn out to be, yet a good basic administration is able to carry on. This Collector acts, in many cases, much like an "ombudsman" to correct obvious injustices. In my experience and observation this gives a quality of administration which, allowing for the problems and vastness of the land, is second to none in the world. It works so well that you never hear about it.

In the industrial field India refines much of her own oil products, though she still has to import some 70-80% of her crude oil. She has four steel plants each of one million tons capacity and being rapidly expanded to more than double that capacity. One of these is private and three are government. Of the government plants one is from Russia, one from Germany and one from Britain. Today not only does India make all of her own steel rails and coaches for a rapidly expanding railway system but these are being exported on quite a competitive basis to the Middle East to earn foreign exchange. She manufactures her own motorcars of three different makes though not nearly enough to meet the demand of a rising standard of living. Up to last year the waiting list for a Fiat 1100 was 18 years but things have improved greatly since last year and now the waiting list is only 14 years with a deposit being required of Rs. 5,000/-to get your name on the waiting list. A doctor, high on the priority list can get an Indian-made Ambassador car after a wait of only some two years! Do not be surprised if India has not turned out any high-pressure motorcar salesmen. She manufactures scooters of some three different makes and in both scooters and cars 90% of the content is of indigenous manufacture. Her motor trucks are all diesels, are 98% Indian content, chiefly of two makes and there is no waiting list for these. She is already exporting some of these to neighbouring countries. She has a large machine tool industry that is very well run. Some quite sophisticated machine tools are being exported in quantity to West Germany. She has a large leather shoe industry and exports some two million pairs per year to Russia. Her cotton textiles are of the finest and meet all her own demands in the various price ranges. These, as you know, are having a hard time to cross the tariff barriers of her friends but lots are available for export. Less than two years ago she began to manufacture her own watches and I can assure you they are of excellent quality and these are being made at the rate of a quarter of a million per year.

India's greatest achievement to my mind and in my knowledge is in the health field. Smallpox and cholera formerly the scourge of India and a menace to the rest of the world are now well controlled. Malaria throughout most of the country has been eliminated as a medical diagnosis all in a period of less than 10 years. It is this death-control that has brought on her population explosion. Thus the children who would have died are living and in their turn having their children. Yet in dealing with her population control she is No. 1 in the world in the size of her programme while Canada is something like No. 48.

It is a great credit to India that in all this development she is practical and yet sensitive. She is sensitive to the religious feelings of her people and is perhaps by our standards advancing too slowly because of it. She is practical so that in 1965-66 when she had two successive rain-failures and two years of disastrous crop failure as a result she might have had famine and epidemic wiping out millions of lives in "the good old days". While quite wide-spread malnutrition was unavoidable and with such malnutrition the death rate always increases, yet actual deaths from starvation were few if any. Even very active newspaper reporters who were encouraged to go to the affected areas, were not able to find any authentic starvation deaths. By diverting money from construction and development projects to the buying of basic foods and by a great voluntary effort among her own people, as well as among her international friends, she succeeded in meeting a need on such a scale as probably has never been done before in recorded history. I like to think that this concentration of the national effort on the immediate relief of hunger was due partly at least to the compassionate outlook of a woman as prime minister. (This may or may not have any lesson for Canada at this time of selecting possible future prime ministers. I should not like by my suggestions to make Canadian politics more complicated than it already is!)

India has great achievements to her credit but she also has problems. As we said earlier her development and everyday life is that of a "planned economy". India is now on the fourth of her Five Year Plans. Her past plans have been somewhat thrown out of gear by three major events: (1) The Sino-Indian conflict of 1962. (2) The Indo-Pakistan conflict of 1965. (3) The rain failure of 1965-66. Yet the plans continue fairly well on schedule. The success of this planned schedule relies heavily upon massive financial aid from abroad. It is quite open to discussion how reliable and much depended upon is such aid. To woo this aid requires an expert tight-rope performance in the field of international diplomacy. High-wire performers are notoriously poor life-insurance risks.

Any planned development is only as good as the planners. In this age of technological development one might fault the Indian Government on the fact that much authority in the planning is in the hands of political people rather than being in the hands of technologists. Particularly one would like to see economists playing a greater part in the planning. Unfortunately Canada is not in too strong a position to advise in this matter.

One feels that in the middle and lower echelons of government officials there is a rigidity and lack of flexibility with a lack of imagination and initiative. In a conservative culture with a legacy of British colonial administration this need not be surprising. What experience I have had in Canada does not reassure me that we could be of great assistance here either.

There seems to be a tremendous mass of red tape to be untangled or cut through by the enterprising businessman in India trying to do a good job of work. Perhaps this is a mistake as we see it but perhaps it is tolerable to India. It may even be necessary to curb the predatory instincts of businessmen exploiting new fields. In any case mistakes, if they are being made, are being made by their own people and they are learning from them.

One thing certain: I have seen two general elections in India. I have seen these at the grass-root level of one of the less developed states. It was thrilling to see the great effort that had been made and the universal response that was generated. Polling booths were set up sometimes in very inaccessible communities for people in the area who were, perhaps, 90% illiterate and yet universal sufferage was in action. In some of these primitive communities of universal sufferage there was 100% turn-out to vote. There was a higher percentage turn-out than could be expected in almost any constituency in Canada. There was no more "election irregularity" than would be expected in the highest developed nations. To me this was democracy in action.

The extent of the land mass and the very number of 500 million of people make the problems of government inevitably great. The high level of leadership in politics, education, business and professional circles is most reassuring. Much remains to be done and much help is required from outside of India. One hopes it will be extended generously – more generously by Canada.

In closing let me remind you that great as are the problems of poverty and under-development yet equally great are the responsibilities of affluence. Let us remind ourselves that 50% of the world's population will go to bed hungry tonight and 30% of all the people in the world will go from birth to death without once feeling the sensation of a full stomach. Yes, the responsibility of affluence is great indeed. Canada has, I am convinced, a duty and an opportunity to improve the display in India – Showcase of Democracy.

Thanks of the meeting were expressed by The Very Rev. E. M. Howse.

FEBRUARY 22, 1968

The Spirit of '67

AN ADDRESS BY Robert M. Thompson, M.P.

CHAIRMAN 1st Vice-President,
E. B. Jolliffe, Q.C.

MR. JOLLIFFE:

Our distinguished guest is, as we all know, Member of Parliament for Red Deer, and the leading spokesman of the Social Credit movement, in which he was active from its earliest days.

Mr. Robert Norman Thompson taught school for three years before completing his higher education in Canada and the United States. Early in the Second World War he joined the 15th Alberta Light Horse, which seems only right and proper for one brought up in the foothills of the Rockies, but it was not quite the right war for horses, light or heavy, and he transferred to the RCAF and the Commonwealth Air Training Scheme.

Our speaker's experience in life has a remarkably international flavour, and his career will be remembered for service in other countries as well as his own.

In 1941 Ethiopia was liberated by British troops and its own stubborn soldiers from the rule of the late Benito Mussolini, and Haile Selassie resumed his efforts to reform and modernize an ancient land rich in legend and tradition but sadly lacking in material wealth and skilled personnel.

Mr. Thompson led a nine-member team among several hundred Canadians who went to Ethiopia and tried to help. He served with the Imperial Ethiopian Air Force and after the war as a secondary school principal, Superintendent of Education and Deputy Minister of Education. He organized the Ethiopian Boy Scout movement. He was frequently called on as an adviser by the Emperor and his government and was sent many times on special missions to the Middle East, Europe and other parts of Africa.

For five years after 1953, Mr. Thompson supervised the educational programme of the Sudan Interior Mission as well as establishing a Leprosy Institution among the primitive tribes of Southern Ethiopia, a cause in which he is deeply interested.

Soon after returning to Canada, he re-entered politics and was first elected to Parliament in 1962, since which he has made many visits to the U.N., to Europe, Africa and Asia as an M.P., and on occasion at the request of the Canadian Government. He was in Viet Nam only a few months ago.

According to the poems of Homer, the Aethiopes were of all men the furthest away, only the gods could travel so far as to dine at their banquets; indeed the early Greeks thought the sun set and disappeared for the night in Ethiopia.

In these days when bells ring occasionally and every vote counts, I cannot help wondering whether there are those who wish that Mr. Thompson were far, far away, dining or wining with the gods in Addis Ababa and watching the setting sun rather than just having lunch with the Empire Club only an hour's flight from Ottawa. However, he is first and foremost a Canadian, and on his all-too-brief visit here today he is going to speak about "Canada – the Spirit of '67."

Mr. Thompson.

MR. THOMPSON:

Coming from the "Chamber of Confusion" and crisis on Parliament Hill you would perhaps think I should be talking about the spirit of partisan politics. Essential as Parliament is to the effective functioning of the democratic system, I believe that it is a truism that it is high time that politicians put their Parliament in order and brought its rules and procedures in line with the needs of the day. The Government was defeated the other night because of several strategy errors, ill-timed judgment and a lack of responsible action by a few cabinet ministers.

No Prime Minister has been so plagued by so many blunders, so many crisis problems, some unavoidable, but most through a comedy of errors. It would have been a surprise if Lester B. Pearson could have slipped away quietly into retirement. While this was his wish, it was not to be his lot. He has fortunately become used to storms – and so have I. For fear I tread over into the realm of politics, let me get on quickly with the subject matter of my remarks.

We have crossed the threshold of our second Century. The Centennial year of Canada's life has now passed into the memories of her citizens and the pages of history. We live in an ever continuing crisis although no one can deny that these are good days. The high rise of affluent living, the developing pattern of urban renewal, the speed of supersonic jets, the outreach into space, the instantaneous flash of Telstar communications are all evidence of this. Yet we cannot hide from the grim realities of brutal war, bringing death and destruction alike to those who fight and those who seek to escape from its path; of hunger and privation which destroy the hope not only of life but of the will to live; of degenerated human character setting its own standards of morality and integrity on the concensus of sensual practice. These are treacherous times with an unfulfilled yet tremendous potential.

On the home scene, at present, is a momentary lull in the storm of crisis and dissent. It is as if Canadians are catching their breath during a period of intermission while the participants review and rehearse their parts in the drama of politics, labour relations, economic survival and whatever it is that the next stage will bring forth. Perhaps it is the pride awakened in the hearts of all Canadians by the courage, nerve and skill of our national Sweetheart, Nancy Green, in her olympic victory on the ski slopes of Grenoble, France, which has caused us to forget for the moment at least, the next act which is waiting to emerge on the stage.

The greatest event thus far in this Centennial-plus-one year was the Constitutional Conference which concluded just two weeks ago in Ottawa. Next to the event itself was the fact that the vast majority of Canadians actually participated by directly viewing and listening in on the conference via the media of television and radio.

The great debate on Confederation entered a new stage with this conference, the ground work of which was laid at the Confederation of Tomorrow conference held in Toronto last November. Inevitably there will be more conferences before sufficient unanimity and agreement is reached which will permit the provinces and the federal government to get on with what is fundamentally the most urgent need in Canada, that of actually building and developing this great country further along the road towards its potential – at the same time demonstrating in practical ways the very human rights which we all say we believe in but to which far too many only pay lip service.

It has been said that the greatest need of the hour is that of unity. I believe this is true. However, true unity is not to be found automatically in federal union – neither it it to be found in uniformity. True unity will come only if we set our hearts and minds and our will in a spirit of unity, found only between partners who are working together towards a common goal and objective. This was the spirit of 1867 – of our pioneers – of our forefathers. Canada, in defying the natural laws of economics, geography and politics is not a nation which will survive by herself. She must be a great nation or die. Canadians must deliberately work and struggle in the job of building Canada if our nation is to survive. True unity will never be attained while Canada's politicians argue and bargain at a conference table nor will it ever come while the great bulk of Canadians sit idly by and wait for the other fellow to do it. It is high time that we join hands, striving and working together towards the goal which is, greater than any single problem or argument, province or individual – greater than any part of the desired whole. We reach unity by working for it in a true spirit of unity – not by rationalizing or whittling away our time. It is imperative that the we get on with the job.

As a Member of Parliament and as a concerned Canadian, my awareness of the situation began taking shape when I returned to Canada in 1959 following an overseas absence of some 16 years. I was challenged with the fact that I could not, if I were to live with my conscience, be passive or neutral to the developing scene in Canada. Let me share with you some of my observations as they unfolded from the pages of history as revealed by a study of the records of politicians 100 years ago, the legislature, the pre-Confederation conferences and the early sessions of Parliament, beginning in October, 1867.

On July 1, 1867 the British North America Act became law and the Dominion of Canada became a nation. One hundred years later, we celebrated our Centennial in the realization that the dream of the Fathers of Confederation was a living reality. Truly, as spoke Georges Cartier, Canada has taken her place amongst the nations. The courage, dedication, vision and work of the Confederating Fathers, as well as of the pioneers who joined hands with them, or who have followed in their wake, is our great heritage. Milton's words appropriately apply to these men who with "Providence being their Guide they builded better than they knew."

We have hands, brains, skills and ideas. We have, by applying them, occupied this enormous territory – blessed with most varieties of climate and almost every natural resource – joined now by railways, highways, airlines and waterways – and linked by radio, television and telephone networks. We are bound together too by the knowledge, gained from men and women of many races, that harmony need not mean assimilation. We are twenty million Canadians, half of us less than 25 years of age. Our roots run back to overseas motherlands, but our loyalties are inseparably linked with Canada.

As I read the records of the pre-Confederation years, I came to realize that Canada became a nation because the Confederating Fathers had come to a point of mutual agreement where they were willing to set aside those things which divided them in favour of standing together on the basic areas of mutual concern and conviction. For those who think that the failure of Parliament during recent years is due to the personal animosity between the Prime Minister and the leader of the Official Opposition, I would refer to the fact that for at least seven years before 1864, George Brown, leader of the Liberals and John A. Macdonald, leader of the Conservatives, were not even on speaking terms with one another. Yet in 1864 they came to an understanding which resulted in a working together to bring about Confederation. George Brown even intentionally resigned himself to a secondary position and ultimate political oblivion in order that John A. Macdonald, with a wide support, could lead through Confederation to the founding of the nation. I am convinced that Confederation would not have taken place if it had not been for this action on the part of George Brown.

What caused this to come to pass? The men of 100 years ago were not basically different than they are today. The problems that they faced then differed only in degree and intensity as a result of the tremendous speed-up in modern communications. What they did, something which has not yet happened on the political scene in our day, was simply to put aside their differences in order to join hands in the fundamental areas in which they found agreement. They discovered that they had common convictions and principles about things that mattered most:

I. The first area of mutual conviction was in the agreement that there should be in the northern half of the great American continent, a nation called Canada, independent and distinct from all other nations, to develop and progress by evolution rather than by revolution. Whatever their backgrounds, whatever their differences, they all agreed on this. The United Empire Loyalists who had left the security and wealth of the emerging United States of America to seek a different way of life in the northern wilderness wanted a nation. Then French Canadians of Quebec had no desire to go back to a France they no longer knew as a result of the revolution and the republic which had changed the face of the country from which they had left. They wanted a country, Canada, which was already their homeland. The British colonial people, whether they had established a home on Vancouver Island, Prince Edward Island, Nova Scotia or elsewhere, wanted Canada to become a nation on its own. Those who were the forerunners of the wave of immigrants from continental Europe, having left their homes for new freedoms, were also convinced that there was to be a new nation of which they too would be a part. They were agreed that Canada as a nation had a destiny for them, their descendants and the world.

II. The second area of agreement was to be found in the common conviction that this new nation, which was to be democratically governed under a system of majority parliamentary rule, could only remain strong if the rights and freedoms of the minorities were protected and guaranteed. The Confederating Fathers agreed that the most important minority of all was the individual who, as a human being created in the image of God, must have the basis of the Canadian way of life. They were convinced that government had no right to assume that it could grant or take away these freedoms, although they believed that freedom begins with the authority of God and that He alone is the author of liberty. They dedicated themselves to the premise that it was the responsibility of government to protect and perpetuate the freedoms which belonged by right to every individual and to every group of individuals, minorities or majorities. It was this conviction that gave assurance to the people of Quebec. It was the lack of this assurance that caused Prince Edward Island to delay its decision of joining Confederation for four years. This was the basic premise that has given Canadians the freedom which they have and the opportunity to develop as this nation has. I am convinced that the greatest threat which Canadians face today is the threat to these freedoms.

III. The third area of agreement did not easily at first define itself. Yet it was so important to these men, the Confederating Fathers that, without this third area, the first and second areas could not have been preserved as they have been. It was simply that Canada, in her destiny, must be a nation under God. It was at the Quebec Conference in the month of October, 1864, where the final decision was made to go ahead with the drafting of the constitution, that Sir Leonard Tilley, the Governor of the Province of New Brunswick, reading in his morning devotions prior to the opening of the day's session, was impressed with what the Psalmist recorded in the 8th verse of the 72nd Psalm. So convinced was he that Canada should be a nation under God that, when he came down to the Conference session, he convinced his fellow politicians that the motto of this new nation should be: "He shall have dominion from sea to sea." As one enters under the east arch of the Peace Tower there is inscribed in stone above that arch these words: "He shall have dominion from sea to sea." Over the west arch are these words: "Where there is no vision the people perish." These men had vision and conviction. The work that they accomplished has not perished.

Having said this about the spirit of 1867, what is the spirit of 1967 as it projects into 1968? Do we really want Canada to survive as a nation? Do we believe that the system of enterprise and individual initiative has been a major factor in the progress that we have made? Do we accept the moral standards of integrity, church and home that have characterized this nation during its first hundred years, or are we yielding to the pressures of the new morality which would disregard the past as inadequate and irrelevant? Are we convinced that Canada has a role to play in the emerging world or do we think at all?

As I travel back and forth across the country speaking to and meeting Canadians, I often wonder if there is a will to keep Canada, Canada. The spirit seems yet willing but the body seems too weak to do much about it.

The positive Canadian world thrust of the spirit of '67 was exhibited at Expo where all the world came to see and be seen – at its best. It should have proven to us that we no longer can live in isolation from the rest of mankind.

Canada as a nation can lead the world in recovering a sense of unity. However, such unity will only be recovered by the rediscovery of conscience and an awareness of our responsibility to each other. Canadians as a people must come to realize the changing character of the world and must help their country to play a leading role in resolving some of the great questions facing the future of man. Only if the individual citizen is concerned and involved with the problems of the world will his nation do anything of significance.

It is up to us to demonstrate, with actions not just words, that our freedom, our way of life, our dedication to service, which have been the means of providing us with so much, will do likewise for them. Whenever we accept less than the highest standards of integrity, morality and service from our politicians – or from ourselves – we are betraying the trust that is in our hands. Whenever we are content to accept that which is second best, we move another step farther away from our goal of a responsible democracy, and one step closer to totalitarian intolerance – and hunger and privation.

I believe we will find the unity problem far less acute if we fulfil our true destiny in the world family of nations. We are such a nation, as every ex-colony would wish to be. We have inherited stable and respected institutions of government even though we have faltered at times. Our people have the education and skills which make the difference between poverty and wealth in the industrialized world of today. Where one-third of the world's people faces starvation and famine, another third is undernourished. We in Canada have abundance – wealth in such plenuty that our problem is not how to produce it; it is how to bring it to those in our land and elsewhere who are in need of it. Our nation is living proof that we do not have to accept a police state in order to have enough to eat; it is a living proof that personal freedom and private initiative can deliver the goods, when the best laid five-year plans of the other nations end in failure. Across the world people of the underdeveloped nations – the former colonies – can see in our nation how development can come in freedom. We in Canada have a responsibility to these people, to make known on the practical level the secrets of our success. To fail is to reject our Christian heritage.

In pursuing this ideal with energy and enthusiasm, we must not withdraw from the political and economic realities of today. A vociferous minority is trying to create an isolationist Canada in the face of growing communist military power. Let me ask one simple question. If by some phenomenon the United States should disappear into the sea tomorrow, or destroy itself by internal strife, where would we stand? Without America, we are lost, and yet those leftwing minorities, those uninformed or irresponsible politicians would have us withdraw from

NATO and NORAD and play no role in collective security. Tragically, a groundswell of indifference is being generated in Canada, in which Canadians now do not even want to defend their own country. Wake up, Canada! Stop throwing rocks at those who are risking and giving their lives in our very defence.

No nation can be free which is unwilling to risk the lives of its sons in defence. We cannot run from this truth of life.

Strong collective security has given us relative peace since World War II except for the fringe wars. Let us clearly remember that the hope of all of us for armament inspections and controls to guarantee peace in the world was destroyed solely by the communist world's unwillingness to co-operate and open its door to inspection as the western world was willing to do. The current TV programme "The Rise and Fall of the Third Reich" shows all too clearly how tyrants rise when nations fail to deal with the bully and the aggressor. We must work for peace – but at the same time keep our powder dry and help in resisting aggressive nations before they become, as Hitler did, hungry tyrants who come to believe that the rest of the world has gone soft and is unwilling to defend itself appropriately. Appeasement has always encouraged the tyrant – and devastation has followed.

To keep the spirit of '67 in the years ahead, Canada will have to face some of the cancer sores which grow and endanger us. The CBC has been a prime example. A vast array of evidence was presented to Parliament in recent months showing that CBC public affairs and certain news programming had fallen into the hands of a dangerous minority who insist on promoting separatism, anti-Americanism, anti-NATO and -NORAD, anti-Semitism and the popularization of drugs, immorality and depravity.

I spoke in the House of Commons on the CBC pro-drug programme, "The Drug Culture," televised a few weeks ago, and of its effect on youths by showing the so-called "joys" of taking drugs, without properly indicating the abject tragedies of this practice – and the nation-destroying dangers of widespread use, as we saw in the tragic episode of the old China after the opium wars. Tuesday's Montreal *Gazette* had this to say: "Dr. Cecil B. Jacobson of George Washington University's medical school, told Congress that the hallucinogenic drug, LSD, can cause deformed babies, mutations of future generations, and premature aging of cells . . . will shorten cell life in the user and 'significantly increase the chance of cancer'." These CBC advocates of confusion never brought such facts to light. Another example is to be found in our deteriorating economic situation.

The Watkins study under the tutelage of Walter Gordon proposed a policy of economic nationalism, which would, if implemented, destroy the very basis of private enterprise in Canada. Joining with the popular cry of left inclined theorists it would throttle foreign investment capital and instead promote Canadian enterprise, resource development and trade control, through vast state investment enterprises set up.

Mr. Gordon called it a very good report! He apparently is quite willing to blame the United States for our own error – for what we refuse to do for ourselves.

Last year the Chicago stock exchange reported a great growth in its operations, and attributed it to the tremendous amount of Canadian dollar investment. As the Toronto *Star* said last Tuesday, "Can't we encourage some of that southbound cash to stay in Canada and help pull ourselves up to a standard of living by our own bootstraps?" The Watkins Report would prefer to kill the goose that lays the eggs and the eggs as well. Last year, 1967, Canadians bought U.S. stocks in America to a value of more than $1.75 billion. For every per capita dollar Americans have in Canada, Canadians have more than $3 in the U.S.A.

I wonder if it is not time that some of our politicans stop harping on buying back foreign ownership (Quebec Hydro is a good example) and begin encouraging Canadians to invest in Canada. It is likewise about time for Canadian investment dealers to start encouraging Canadian investment instead of promoting U.S. stocks many of which have a proven pattern of poor returns.

There has been a great deal of talk about the need of a new human rights charter. When Mr. Trudeau talks about a new charter for human rights, do you know what he means? Do you take time to even investigate? Do we really need a new charter for human rights? Is this idea merely a camouflage covering the real issues? I am afraid of this sudden concern for human rights in Canada. We are the most free nation on the face of the earth. Our way of life has permitted more to be accomplished in 100 years, greater progress and development, than in any country of the world. Could it not be that the present Bill of Rights would be adequate if it were strengthened in a few places?

I am afraid of what Mr. Trudeau says. In the very first chapter of his book, "A Canadian Charter of Human Rights," I read: "Interest in human rights is as old as civilization itself. Once his primary requirements of security, shelter and nourishment have been satisfied, man has distinguished himself from other animals by directing his attention to those matters which affect his individual dignity." I always thought that human rights did not come from governments or men – let alone from animals!

John F. Kennedy once said: ". . . The rights of man come not from the generosity of the state but from the hand of God . . ."

If this new concept of constitutional rights is based on the concept that man is just another animal, albeit the most advanced and capable, I am afraid of the new approach. I do not think it will get us very far! If this is the basis of the new morality, it will not do this nation or its people much good. It is fortunate that the provincial premiers refused to go along with the Minister of Justice. Do you agree or aren't you concerned?

Are you concerned at the loss of freedom, at the diminishing evidence of self-reliance and individual initiative, at the growing presence of big government? Do you believe that a philosophy of freedom has no more in common with the extreme right than it does with the extreme left? Do you understand that autocratic government is just as evil whether it is run by a Hitler or a Stalin?

Canada will not remain Canada if Canadians continue to create divisions and indifferences to the point of building bitter and determined minorities. We need to face our problems in the spirit of '67, moving ahead to a mighty role in building a workable world. Surely this is the mind of God; that we live our faith as free men with all the wisdom, care, conviction and energy He has given to us.

Just what does the Canadian way of life mean to us? Not only should we know what it is – we must also know why it is as it is. The Confederation Fathers 100 years ago were determined that Canada should be a nation under God. The apostle Paul told us that the true government is to be instituted by God to represent His authority. Governments do have a divine calling to protect life, life as expressed in freedom and peace, the intimate sphere of marriage and home, the necessity of work and daily bread, justice and order, freedom of conscience.

However, governmental authority can degenerate. From only a secular motivation it can demand idolatrous allegiance. It can absorb power where God has not given power. This happened in Hitler-Germany with its tyrannical Nazi regime. Actually the Second World War did not start in 1939. It started in the previous century when Friedrich Nietzsche spewed his anti-Christian philosophy of the super-race. Hitler's strength was not the blitz-strategy, nor a superior air force, nor his ruthless panzer divisions – no, it stemmed from his fanatical faith in the humanistic doctrines of national socialism and the supremacy of the Germanic race. His pagan regime sacrificed to that obsession as many loyal Germans as Jews and Slavs. This can happen anywhere when citizens fail to make the will of God speak in public life and society. Democracy will only be safe when the Christ of God is accorded His place of supremacy.

The real tragedy of our time is that men become more and more entangled in materialism and disbelief. Men living estranged from God easily cast aside God's morals and principles, exchanging them for a blind belief in rationalistic expediency. Even amongst our Christians secularism makes deep and dangerous inroads. It threatens to disintegrate life and eventually it will if there is not a genuine return to the unifying purposes of God.

Walter Lippmann, the well-known liberal American journalist, a few weeks ago summed up the conditions facing his nation, which also applies to Canada, in a most startling way:

"For us all the world is disorderly and dangerous, ungoverned and apparently ungovernable. Everywhere there is great anxiety and bewilderment. This general concern about the threat of atomic war, of revolution and counter-revolution is suffused by almost everybody's preoccupation with the difficult business of living in the modern age."

Mr. Lippmann believes "that we are living through the closing chapters of the established and traditional way of life." He prophesies that "we are in the early beginnings of a struggle, which will probably last for generations, to remake our civilization." Walter Lippmann contends that "it is not a good time for politicians," but that "it is a time for prophets and leaders. . . . The governments of the more advanced countries are all of them unpopular governments. For they are failing to cope with disorders abroad and with trouble at home. In the more developed countries, communist as well as non-communist, there are no great sustaining, unifying and inspiring beliefs, no schemes of salvation and no ardent promises of better things to come."

In his book, *The Industrial Struggle and Protestant Ethics in Canada*, Stewart Crysdale makes this remarkable observation regarding our modern conception of communism:

"Despite the fact that communism has shown its iron fist to the world, with its millions of political slaves, its perverting propaganda, its bloody inner struggles for power, its totalitarian grip on men's minds and its cynical use of greed, ambition, fear and hunger to further the purpose of the state" (as Crysdale aptly describes this revolutionary religion) "western man still persists in labouring under the fiction that somehow it is possible for Christianity and communism to co-exist. We often fail to grasp the irreconcilable conflict between these world-and-life views because we lack the biblical vision. And as the Bible says, Where there is no vision the people perish."

No Canadian in our modern day has spoken more clearly on this matter than the late Vincent Massey, former Governor General of Canada. He said in his book, *Speaking of Canada*, "The social order of the western world . . . is faced with a frightening paradox.

"Our social order today is suffering from a sense of futility and insecurity born of the intellectual confusion of a fragmented and largely secular society. We represent the paradox of the wealthy who may be empty; of the learned whose knowledge may bring no enlightenment; of the masters of society who may be timid and afraid.

"Looking back through the past few centuries we observe the increasing secularization of large areas of life; political, economic, intellectual, moral. The first three have been increasingly regarded as in themselves neutral; and the moral life, as we all know, seems to many to have become little but a matter of intelligent social adjustment.

Religion is thus left to be a purely personal and private affair.

". . . the growing cleavage between various aspects of life has constituted an implicit denial of what I take to be the essential character of Christianity; embracing as it does the principle of love and the practice of the oneness of all of life.

"In our modern world, I have already suggested, we have suffered an un-Christian division of life into two spheres, one of which is secular and public, and another which, being religious, is looked upon as private. Is it rash then to say that it is this division which has brought on our purely secular activities its own nemesis, taking the shape of the paralysis that comes from our lack of any coherent philosophy as a directing and guiding force for the whole of life? We are very conscious today of insecurity. Is this because we, by that I mean our whole social order, have refused to recognize and face our living spiritual unity – and therefore, as a result, we clutch nervously at the bits and pieces of life, conscious that we have lost our grasp of the whole?"

Again and again one is struck by the fact that so relatively few people dare to commit themselves, dare to speak out, dare to let it be known where they stand: what they are for and what they are against. Even men who occupy key positions become more known for their ability to raise questions than for their failure to provide answers. While they pose as prophetic leaders, they are as blind as the masses who uncritically follow them. The only noticeable difference is that those who pretend to give leadership are a shade more sophisticated. At times they even manage to sound rather articulate in their effort to deal with our failures and frustrations. Ultimately, however, it is the blind leading the blind.

The United States Secretary of Health, Education and Welfare, Mr. John Gardner, recently made a blunt observation which struck at the root of the problem plaguing the average person – the lack of commitment.

This situation which continues and grows today will not change unless men individually change. The pattern of God's working in the affairs of men has never been passed on in any collectivistic philosophy of centralized power. Emperor Constantine tried to do this and destroyed that which brought his nation to new heights of morality and enlightenment.

It must always come back to ourselves. The greatest reactionary in the world today is the man who wishes to change the world but will not change himself. Change must start with us. The Kingdom of God is within you. Responsibility can only begin with the individual who accepts it. God gave us the responsibility of choice. We choose our governments; thank God we still can. We choose our way of life – what we shall live for and how we shall live it. The way of life of our nation is really, in the long run, just the aggregate, the sum of synthesis of the good or evil permitted in the lives of us all. As I am, so is my nation. As I am, so is my family.

The basic reason for today's failures is the vast majority of people, the so-called solid citizens, the respectable fellow, whether he or she lives in Quebec, in Ontario, or elsewhere. I am convinced that the greatest intolerance Canada faces today is not from the Quebec separatists but from the neutral Canadian – the chap who sits back and lets the other fellow do it, cussing the politicians, the indolent, the separatist, and in general everyone whom he sees on the horizon of his experience. Such people are all over – east, west and centre. They are here in our midst today. This intolerance is the result of the neutrality of Canadians in their attitude toward the basic responsibility to the nation, to the world, to the people of the world, and to God. This is reflected in all phases of our way of living – in general morals – in business – yes, and in politics too. It is one of the reasons modern politicians are failing in their responsibility to democracy and to the people they represent. Strangely, we are surrounded by an aura of neutrality.

John, in penning the word of God in Holy Writ, referred to neutrality as lukewarmness. As a matter of fact, the position of neutrality comes about through an attitude of lukewarmness regarding basic issues. It clogs up the avenues of the soul with sins of omission. Lukewarmness is to be despised because it is a quiet intentional appreciation of other things over the real issues, over principles and convictions. It cheapens the nation and parts with it second-hand. It pretends friendship; hence it involves the twofold guilt of treachery and hypocrisy. John said to a lukewarm Laodicean Church – "I would that you were either hot or cold," and added in so many words, "But as you are neither hot or cold – you are of no value – you will have to be discarded." Not only does God abhor lukewarmness, but the world does as well. Impressed by actions, rather than by words and platitudes, it too says, "You have nothing to offer me – I shall discard you from my life." If we Canadians really have convictions, we are not lukewarm; that which we truly believe activates us; if we truly believe that there is a better way, that which we believe in takes on new values.

The danger of neutrality has been expressed by many who have gone before us. Plato long ago said, "The penalty good men pay for indifference to public affairs is to be ruled by evil men."

By the time of the 12th century, Dante put it in more caustic words. He said, "The hottest place in hell is reserved for those who, in a period of moral crisis, maintain their neutrality."

Some six hundred years later, Edmund Burke observed: "All that is necessary for the triumph of evil is that good men do nothing."

One hundred years ago Lincoln said words to the same effect – "To sin by silence when they know they should protest, makes cowards of men!"

How can anyone in his right mind be neutral today? In the midst of regionalism, of immorality, or crime, of threatening economic chaos, of political instability, of separatist attitudes – of the type found in Quebec or in B.C. or elsewhere – there cannot be room for neutral, passive people.

Canada needs men and women who are not just thermometers and merely registering the temperature of the atmosphere round about. Our nation needs men and women who are thermostats – thermometers. Individuals who will set and control the desirable temperature necessary for healthful living.

Every Christian prays, "Thy will be done on earth as it is in Heaven." It is futile to pray like that without seriously desiring what you are praying for. What are you praying for these days? What will you as a Canadian, decide to do with your life for your country, for your fellow Canadian, yes and for the world?

Last week a special joint Committee in Parliament completed their study of what should be the words of the national anthem. In their report they said there should be mention of God. I agree with their recommendation. I wonder, however, if the committee took note of the second verse of O Canada. When the Confederating Fathers chose Psalm 72:8 as the motto of Canada I believe they must have placed their stamp of approval on the second verse of our national anthem:

Ruler Supreme, Who hearest humble prayer
Hold our Dominion in Thy loving care;
Help us to find, O God, in Thee,
A lasting, rich reward
As, waiting for the Better Day
We ever stand on guard.

Thanks of the meeting were expressed by J. H. Potts.

FEBRUARY 29,
1968

Britain's Problems In Perspective

AN ADDRESS BY Ronald H. Grierson

EXECUTIVE DIRECTOR
S. G. WARBURG & CO. LTD.
LONDON FIRM OF MERCHANT BANKERS

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

In those dark hours of the Second World War when Britain stood alone against the formidable Nazi war machine, the voice of her great leader, the late Sir Winston Churchill, rang out with defiance and inspiration. Britain would fight on come what may, he said; there would be no surrender, no weakening of her will to endure and to triumph.

It's a matter of historic record that Britain did fight on, that she did endure, that she did eventually taste the fruits of victory. The cost, however, was high, and the vicissitudes of war cut deeply into Britain's resources.

In the years following the war, we have seen Britain struggling to maintain her economic stability. Her attempts to enter the European Common Market have been unsuccessful so far. Faced with shrinking world markets, she has sought to stimulate trade abroad, and, in this connection, we recall the activities of British Week in Toronto and the distinguished visitors it brought us from overseas.

Then, most recently, came the shock of hearing that

Britain had resorted to the drastic step of devaluating the pound. Economically, Britain's well-being would seem to be seriously threatened, and the prophets of doom have had a field day. In peace, as in war, however, British endurance and resourcefulness are not to be discounted. Furthermore, not being "right on top of it", as the saying goes, we may be missing important mitigating elements.

It is our pleasure to welcome as our speaker today a man who *is* "right on top of it". He is Ronald H. Grierson, a British banker, who is Executive Director of S. G. Warburg and Company, the London firm of merchant bankers. He also was, until recently, Chief Executive of the Industrial Reorganization Corporation.

Mr. Grierson was born in Nuremburg, Bavaria, and was educated at the Lycée Pasteur, Paris; High Gate School in London; and Balliol College, Oxford.

During the war, from 1940 to 1946, he served in the Black Watch and the parachute regiments. In 1948, he became Executive Director of S. G. Warburg Company, and subsequently became director of other companies in the United Kingdom and overseas.

Prior to joining Warburg he worked for a short time on the staff of *The Economist* in London, and later in the Secretariat of the Economic Commission for Europe in Geneva. Mr. Grierson has a keen interest in Anglo-American relations and is a member of the governing body of Atlantic College in the United Kingdom.

With this kind of background and experience, he is admirably qualified to speak on the subject of "Britain's Problems in Perspective".

Gentlemen, may I now present Ronald H. Grierson.

MR. GRIERSON:

I would like in my address to you today to attempt the difficult task of putting the much advertised problems of my country into reasonable perspective. Not since Turkey was proclaimed the Sick Man of Europe in the 19th century have the problems of any one country been the subject of such intense, almost morbid, analysis – not least by its own citizens – nor the object of so many prescriptions of cure, some of them of a decidedly quack nature.

Somehow – and perhaps we need not wonder too much at this – a picture has emerged of a country in the grip of some incurable economic illness and the contours of this picture have been further sharpened by the fact that the Welfare State, whatever that term may mean, is generally considered to have been a British invention. Yet when one probes into the depth of this situation one finds that it abounds in the most baffling paradoxes; and when one tries to compare individual features in the British scene with comparable phenomena in other countries, not excluding the economically powerful United States, one is often faced with the perplexing conclusion that in this or that respect Britain is not necessarily the most backward.

One can think of many examples. Hardly a day passes without one being told in some context or other that British management is hopelessly unprofessional; maybe it is, compared with your own highly professional standards, but the fact remains that in countries like France and Italy, whose growth rates are our envy and which for the moment at least are not plagued by our own illnesses, the organization and thrust of the leading British managements are enviously contrasted with the paternalism and nepotism still ruling in their own enterprises. Again our friends tell us that British industry is too fragmented; true in a sense – yet, even before the wave of gigantic mergers in which we are now engulfed, Britain occupied a far higher place than any other European country in the annual league table of large companies compiled by *Fortune* magazine.

To give another example: it is alleged that our executives are insufficiently mobile, that there is not enough hiring and firing; but Japan manages a spectacular growth rate while protecting executives almost from the cradle to the grave. Our trade unions are with some justification held to be difficult and truculent; but far fewer working days are lost in British industry than, for instance, in Italy whose growth rate is more impressive. We lament the fact that our Government gives too little support to Britain's technological industries; yet only the other day I read in a newspaper that U.S.A. telecommunications industry envied the way in which the British Post Office gave clear-cut support to its suppliers!

One could go on with these examples and it would be comforting to take all this as evidence that there is nothing basically wrong with the British economy at all. Indeed one could go further and reflect that, in spite of all our troubles, the British national product and income per head have risen year by year – not equally in all years but risen nevertheless – and that this is after all the main object of all economic endeavour. But such complacency would be totally fatal.

The only philosophical reflections which we can permit ourselves – and they are important ones – are perhaps the following two. First, that in a world of independent nation states, however impressively the habits of co-operation have developed, too much independent striving by each state for the maximum benefit to itself is bound to create a very uneven progress for all. It would indeed be amazing if in such circumstances the developed countries of the world had anything like an equal growth rate year by year. That is the price we pay for our modern form of mercantilism. Against that we can set the more comforting reflection that these national economic rivalries represent a challenge.

The second thought in which we can find some consolation is that, even if no problem of economic nationalism arose, there could of course be no such thing as a blueprint for steady growth. We are quite wrong to think, as we sometimes do, that, if only those in charge of events could behave more intelligently or less greedily, all the roughness in our economic relations would be eliminated and we could advance to prosperity on a smooth path. This is utter Utopia. Life is perpetual challenge; and creative innovation takes place in an imperfect world and in response to a multitude of complicated pressures.

This brings us to the crux of the British problem. Why is it that Britain seems to have responded less successfully than other countries to the pressures and challenges of the post-war period? It so happens that introspection and self-criticism are two qualities in which the British public has not been lacking these last years and one can therefore take one's pick of the many explanations which have been offered. All of them contain elements of truth, but their relevance is considerably diminished when one realizes that similar shortcomings occur in other countries.

Some of our problems are only too obvious: the responsibility (partly self-imposed) for operating an international currency, the excessive military commitments abroad, the featherbedding of industry through semi-protected Commonwealth markets. But all these are relatively surface phenomena of the kind which all countries encounter from time to time and which it is certainly not beyond the ingenuity or political courage of man to overcome. But I think there are certain other problems with which Britain is more fundamentally faced and these I would not recite to you today had I not the feeling that they are in fact being much more successfully tackled than our public relations would lead you to believe. Indeed, I am fairly confident that under the cloud of gloom and pessimism which far too often is all that is visible to our foreign friends, some very basic transformations are taking place in the British scene which could make us emerge healthier and stronger than a superficial judgment would now indicate.

First and foremost, we have so far lacked in Britain what, for want of a better word, I would call the joy of business. This is something which you in North America, and especially your U.S. neighbours, possess exuberantly and infectiously and I wonder whether you realize what an important problem its relative absence has been for Britain. For over a hundred years our educational and social bias has been towards training administrators for the public service and the system developed for this purpose put a heavy discount on enthusiasm and generated an unhealthy contempt for what became known as trade. I think it is no exaggeration to say that of all the qualities required in a successful businessman enthusiasm is the most vital.

As one of our leading industrialists put it the other day, we will in future have to have just as strong emotional reactions to business situations as we have had to wars and other excitements in the past. Fortunately there is every sign of this happening – though to you, three or four thousand miles away, these changes – rather like watching grass grow – must be obscured by other more dramatic events which you read about. We are training more businessmen. More people are growing up who are sons of businessmen. Many people will now read the Business Supplement of a newspaper before they read the paper itself. The anatomy of business is becoming more widely understood – and it is even possible for a businessman to be the hero of a television series!

To you who have been brought up in a different environment it may seem odd that such phenomena call for special mention. But it is precisely this kind of transformation which Britain needs and which – in spite of our short-term mishaps – she is getting; and this is more critical for our survival as an industrial power than short-term upsets in the balance of payments or the timetable of our withdrawal East of Suez.

Another British problem which has received insufficient attention is this. For diverse reasons, Britain, almost alone among the major industrial countries, has lacked the excitement of a really dramatic political or economic upheaval in the last 100 years. You may think it odd that I should sound like regretting this, but when you consider the tremendous energizing effect which the opening up of the West and the subsequent discovery of oil and natural gas have had on your country or the stimulus which Germany and Japan derived from having to reconstruct themselves out of nothing after 1945 or again the challenge which the Common Market represents for the Six, you then see what a handicap it has been for Britain not to have undergone any of these tonic experiences. Of course in earlier periods we did not lack such excitements: we were the first in the industrial revolution and our colonizing adventures represented just such a stimulus, but these events lie far back in history.

If we are lucky – and we will have to keep our fingers well crossed for this – we may in the foreseeable future receive powerful stimuli both in the political and economic fields. Our entry into the European Community is in my opinion bound to take place in one way or another some time in the next few years and the excitement of taking part in the task of closing the technological gap between Europe and the United States should remedy much of our shortcoming. Equally, the discovery of important oil and gas fields in the North Sea, which were barely suspected even half a generation ago, may provide us with some of the economic new horizons which we have missed in the past.

A problem which has formed the subject of much critical discussion in Britain is the relationship between the state and industry. In spite of some ill-judged nationalization measures in recent years, the ratio of public to private enterprise is barely greater in Britain than in some of the Continental countries which show better growth records, nor even much greater than in the United States if you take your defence and space programmes as being a form of public enterprise. Mixed economies, in the sense of the state assuming a wide measure of responsibility for economic growth, have for better or worse become the pattern of the western world and we will have to come to terms with this state of affairs. The main problem still to be solved is that of the correct relationship between state and industry in this situation.

Here again we in Britain face a special problem. Our Civil Service, admirable as it is, was designed for an imperial task rather than for that of helping the state give the necessary encouragement and impetus to business. This is an aspect which is now receiving acute attention and a major reorganization in our Civil Service, with the problems of industry very much in mind, is due to be launched in the course of the current year.

Finally, one might dwell for a moment on what has become known as our Incomes Policy: how to prevent wage increases from getting out of hand. In the short-term context of our balance of payments – and more than ever now that we are trying to consolidate devaluation – the rise of personal incomes must obviously be contained within the limits of productivity increases – or, to put it brutally, for a time at least, wages will somehow have to be frozen at or near their present levels. As a short-term policy there is no alternative to this, but from a long-term point of view this policy is really the opposite of what Britain requires.

As the Americans know particularly well, the greatest spur to productivity comes from high labour costs. Thus, as long as our wage rates remain relatively low – and it is significant that, in spite of all you have read in the papers, the average wages in some of our most important industries are lower than comparable wages in Italy – there is insufficient incentive to equip ourselves for achieving greater productivity. This is a chicken-and-egg problem which we will have to solve and where the appropriate long-term solution is possibly the exact opposite of what is needed for the immediate present.

In describing these problems to you, I have emphasized my feeling that solutions were on the way. Altogether I think it might be prudent in what you hear about Britain to make allowance for our national mania for self-denigration and, while I would not for a moment give you the impression that our troubles were over, I do want to leave with you the feeling that new attitudes are developing faster than is apparent and that when present problems are out of the way a stronger and more dynamic and entirely revamped Britain may emerge.

It would be foolish to ignore the fact that our present Socialist administration has by its very political colour caused many international eyebrows to be raised. It is hard for a government professing socialism – and there is no denying that the British Labour Party does – to be given the benefit of the doubt in a robust private enterprise country such as yours. But I think you must see things in perspective. In spite of all the evidence – and the way in which our economy has been managed in recent years is certainly nothing to be proud of – the responsible Socialist leaders (I am not talking about the lunatic fringe) now realize that private enterprise is the only possible launching-pad for economic growth and they are curbing their ideological instincts accordingly.

Of course a good deal of wishful thinking still goes on and only the harsh discipline of events will cure this. Nor must you necessarily assume that all our problems will vanish if there is a change of government at the next election – although the arrival of new faces would undoubtedly transform the scene. My main point is this. Governments come and go and, however much they may tug politically this way or that, certain basic trends develop regardless of which political party is in power. Although in the last three years or so we have tended to slide from crisis to crisis, I feel that there is below the surface a healthy reforming current whose effect may not be seen for a few more years.

Though my remarks have been largely philosophical, it would be wrong for me to end this address to an audience of businessmen without some reference to the very specific problem of how devaluation will affect you. We need not here to go into the question, now only of academic significance, whether by different policies at an earlier date devaluation might have been avoided. The fact is that last November there was no longer a choice and the pound now stands at a low level. This has created a difficult problem of pricing strategy for every British industrialist and before you condemn us for what you may consider our egocentricity I should like to explain this a little more fully.

In the first place you must accept the fact that devaluation is a means of helping British industry and that if all the advantages of it were passed on to our foreign trading partners we would be right back to square one. If therefore British suppliers lower their dollar prices to you by only a fraction – or do not lower at all – I urge you to bear in mind in the first place that you are no worse off than before (however much you may have hoped to be better off!) and secondly that the British exporter has to pay more for his own imports (often a large proportion of his cost), more in bank interest (our rediscount rate is now 8%); more in wages due to the increase in the cost of living caused by devaluation – and, last though not least, he has to forgo a number of rebates and premiums which were withdrawn last November. At best therefore he could only pass on to you a fraction of the 14.6% he nominally gains from devaluation.

Equally, if your British customer now fights harder for the dollar price he is willing to pay for your exports, remember that this is one of the strategies he has to deploy to protect himself as much as possible from the effects of a devalued currency. In a sense, some of your U.K. markets have in the past been artificially stimulated by the fact that British buyers had to find relatively few pounds to pay you your dollars. With devaluation this has ceased and you have to fight harder for some of these markets. But I am convinced that in the long run these adjustments can and will be made and that the fabric of Anglo-Canadian trade is strong enough to withstand short-term upsets.

At present both our countries have their economic problems. Ours are perhaps of a more fundamental social character and luckily for you the basic wealth-creating mechanism operates with fewer hindrances on this side of the ocean than on ours.

The fact that the U.S.A. and Britain at present monopolize the economic headlines should not be misread. Who knows, in a year or two Japan, Germany, Italy and others may have their problems too – in fact they have, but they seem less spectacular – and one would have to be less than human not to wish our friend General de Gaulle, though not perhaps his people, just a tiny bit of economic upset as well! The important thing is that our institutional machinery for crisis-management must be constantly perfected so that we can deal with these events as they occur.

Thanks of the meeting were expressed by R. L. Armstrong.

MARCH 7, 1968

On the Drawing Board - In the Lab

Toward a Science Policy for Canada

AN ADDRESS BY Dr. O. M. Solandt
CHANCELLOR OF
THE UNIVERSITY OF TORONTO

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

One cannot read a newspaper or tune in radio or TV these days without constant reminders of the achievements of science. Advanced technology has enabled man to cover vast distances in ever shorter periods of time, to orbit the earth and land instruments on the moon, and to implement instantaneous communication on a world-wide scale.

More and more of the things we wear and use are made of materials of man's own creation. Man's average life expectancy has been steadily increased by the discovery of new drugs and techniques for combatting disease and alleviating suffering.

In its comparatively short history, and despite its relatively small population, Canada has made notable contributions to numerous branches of the physical and social sciences. Yet, it has been a mitigating fact that our provision of scientific opportunities has not been commensurate with our scientific talent. The result has been the so-called "brain drain" – the flow of some of our best scientific minds to more challenging opportunities south of the line.

One of the leaders in promoting efforts to staunch this flow has been Dr. Omond McKillop Solandt, himself a prominent Canadian scientist, whom we are fortunate to have as our guest speaker today. Dr. Solandt has also concerned himself with other significant issues of our times, such as automation, the population explosion, the problems of the have-not nations, national defence, nuclear weaponry.

He was born in Winnipeg, attended Central Technical School and Jarvis C.I. in Toronto, received a doctorate degree and gold medal from the Faculty of Medicine, University of Toronto, and then did research at Cambridge. Following post-graduate work at the London hospital, he was named a Member of the Royal College of Physicians, London, and later returned to Cambridge as a lecturer in physiology.

During World War II, he directed a London blood-bank depot, founded the Physiological Laboratory at the Armoured Fighting Vehicle School, and was Superintendent of the Army Operational Research Group. He joined the Canadian army in 1944, and in 1945 was a member of a mission sent to Japan to evaluate the effects of the atomic bomb.

He retired from the army in 1946 with the rank of colonel and became the first Chairman of Canada's Research Board. From 1956 to 1966 he held top executive positions with the CN, De Havilland Aircraft of Canada Ltd., Hawker Siddeley Canada Ltd., and DFC System Ltd. He then became Chairman of the Science Council of Canada and Vice-Chairman of the Electric Reduction Co. He is also a Director of the Huyck Corporation and was a Director of Expo '67.

Dr. Solandt has been awarded the O.B.E., the U.S. Medal of Freedom, the Gold Medal of the Public Institute of Canada, and is a Fellow of the Royal Society of

Canada. In 1965 he was elected Chancellor of the University of Toronto and holds honorary doctorate degrees from a number of Canadian Universities.

His topic today is: "On the Drawing Board – in the Lab (Toward a Science Policy for Canada)". Dr. Solandt.

DR. SOLANDT:

Mr. Chairman, Gentlemen, thank you for your most kind introduction. I am greatly honoured by your invitation to address you today. I always feel it is a particular honour to be invited back a second time.

I have very pleasant memories of the first time I came to speak to the Empire Club in Toronto. It was in March 1950 and I was introduced by another old friend, Sydney Hermant. I am happy that I did well enough that you have invited me back.

There is always the difficulty for anyone who is labelled a scientist in speaking to a general audience to know what level of detail he should deal with. I am fortunately now getting to be pretty well free of this difficulty. As you know, the research worker is the man who gradually comes to know more and more about less and less until he knows almost everything about practically nothing. Well, I have been assiduously going in the opposite direction for years, and I am getting to know less and less about more and more until soon I will know practically nothing about almost everything.

So on this basis I have some interesting information to offer to any kind of audience. I have in the past tried to maintain a reputation for erudition by choosing subjects that the audience knew nothing about. If a speaker has a wide enough range this is nearly always possible. But in the case of science and an audience such as this you probably know as much about the general aspects of science as I do. So what I have to say to you may seem familiar, but I think it will be nonetheless interesting and important.

First of all, in talking of science it is necessary to agree on some definitions. There are many different definitions of science.

The one that seems to me to be the most generally useful is to say that science is man's accumulated and organized body of knowledge about himself and his world.

This definition includes not only the natural sciences but also the social sciences. It is man's knowledge not just about his world but about himself and how he interacts with this world.

The word "science" is also used to describe a process or activity of acquiring and organizing and even using knowledge. I am going to use it predominantly to describe the body of knowledge rather than these activities.

Obviously this body of knowledge, science as I have defined it, is one of the most important elements in our society. It is this knowledge of himself and his environment that enables man to control his environment in a way that other animals cannot, and even to a rather limited extent to control himself and his own social activities.

Unfortunately in the modern world many people think of science as malevolent, harmful, or at least unfriendly. They think of science in terms of atomic bombs that destroy huge numbers of people, or automation that eliminates huge numbers of jobs.

This is a completely false idea. Science itself as a body of knowledge is obviously completely neutral. Man can use science for good or ill. I am sure that if you look at the record of human progress you will see that in spite of our bad record of the use of science in war on the whole the record is good, and that most of our progress in the past and foreseeably in the future at least makes use of science as a major element.

Science obviously pervades our whole way of life. One of the difficulties in talking about science is to know how to describe and classify it. One thing that is important to realize is that when one talks of science in this way we are not speaking just of research. There is a great tendency to think of science as merely research. Research is the advancing edge of knowledge. The amount of research that is done in any society is a pretty good index of the general scientific activity. But research is by no means the whole of science. There is a tremendous accumulated and organized body of knowledge that is available to us even if we do not do any research. However experience has shown that this body of knowledge is more accessible to and more easily used by people who are actively involved in research.

One way of looking at science in our society is to conceive of a scientific community which is made up of all the people that use science as their principal stock-in-trade in their ordinary daily life.

On this basis the scientific community, begins with the high school teachers who teach science. . . . Incidentally, Mr. Chairman, I was surprised that in describing my education you mentioned that I had gone beyond Central Tech. It was very sporting of you but quite unnecessary.

THE CHAIRMAN: I thought it was not fair.

DR. SOLANDT: I really did get a remarkably fine education in Central Tech. And certainly in my day it was the greatest school there was.

To get back on the track, a scientific community really begins with the teachers in the schools, and includes university staffs, both those who do research and especially those who teach.

There are many people in the government, not just in the research labs but all through government, who use science and are part of the scientific community. And of course industry, and particularly the more technically based industries, are full of people who use science and who do research. So that viewed in this way you can see a large element of our society which is called the scientific community.

Another way of of looking at the impact of science on our society is to think how society can be used in the service of the nation. Broadly there are three ways: cultural, economic and social. And I will just devote a moment to describing each of these, because I think it gives some insight into how science is being used now and will be used in the future in Canada.

I put the cultural aspects of science first because there is a great tendency to overlook them. Science is certainly one of man's greatest intellectual achievements. Many people, especially scientists, rate it right at the top. But whether it is man's greatest intellectual achievement or not, it is certainly one of them.

Basic research, which is the task of exploring the boundaries of knowledge, looking for brand-new information, is one of the very important cultural activities of any sophisticated society. Not only the accumulation of new knowledge, but also a study of its significance to the philosophy of science, and its arrangement into new theories and new structures of ideas are all extremely important things and ones that we must give support to.

Fortunately from the financial point of view in any given group of people there is only a relatively small number who have the required intellectual capacity and ingenuity to produce really new and creative ideas. And in science there is every evidence that this number is small enough that a country like Canada can afford, and must afford, to give very adequate support to all the really promising fundamental research workers that appear.

The second major use of science in our society is in the economic sphere. Here, of course, we think primarily of the use of science in increasing productivity, particularly in industry.

The traditional role of research and development in industry is to find new products, new processes. And, very important though not often quite as much emphasized, finding new and better methods of organization and management.

The importance of industrial research from this point of view really needs no emphasis in a group like this. We are all thoroughly familiar with things like the discovery of the transistor, which arose from some very pure fundamental physics but led quickly through development to a fully useful technology which has given rise to not just one new industry but to many new industries.

Similarly there have been tremendous break-throughs in methods of production. If you ever considered how many of us would be driving motor cars if they were manufactured in the way they were, say, in 1910, you could see that the improvement in processes of manufacture are almost as important as the work on development of new products.

In this sphere we think particularly of automation – and I will have a word to say about that later. All I want to say now is that Canada has a special need to try to apply science intelligently to increasing the productivity of our industry both primary and secondary, because we do depend so much on exports. And if we are to remain competitive in world markets then we must keep the cost of our exports in line and keep the quality high and the variety good.

So, we cannot regard either productivity in a general sense or innovation in new products as being of secondary importance to us. They are very important, and of special importance to us because of our high dependence on exports.

Finally the third classification is the use of science in the solution of social problems.

Broadly our main social problems now, or the ones that are concerning us most, centre around urbanization. It is an interesting thought that the modern city has only been made possible by the application of ideas developed by modern science. If we did not have scientific development we would not have our present cities. Now we must turn our minds to using science to improve these cities.

Physical sciences can help in improving transportation, communications, housing, and many of the other physical aspects of our cities, and the social sciences still have a long way to go in studying the problems that arise when people are crowded together in cities.

I feel that probably the biggest need in Canada at the moment is a very substantial increase in the support of research in the social sciences so that we can attract an increasing number of our best people into the study of the problems of what I would like to call human ecology. That is, the whole relationship of man to his environment and of men to other people particularly in a crowded urban environment.

Of course, along with this we have obvious problems of education, and all the evidence that we have now indicates that education is probably the most important single factor which can help to solve all of our problems, ranging from the economic problems of productivity right through to the social problems we find in our cities.

It is very interesting that in connection with the Science Council we have been looking at the evidence that relates expenditure on research and development on a national level to productivity and to gross national product per capita. It is possibly not suprising to find that there is not a very close relationship. Some countries spend a lot on research and don't grow very fast and others spend less and grow faster.

I think this is because in order to stimulate economic growth, the expenditure must be on the rather late stages of applied research and development and must be in industry where it has an immediate effect on productivity and on the quality of products.

But in spite of this lack of a direct correlation with research and development one does find a most striking relationship between education and general progress. All the countries that have a high standard of living and that are regarded as good places to live are spending a great deal of money on education and have a good and rising standard of education. Those that are backward, underdeveloped and having difficulties are not spending as much on education. So our preoccupation with education in Canada today is a very sound and wise one.

As I see it Canada is now at a point where most of us, certainly in a group like this, are beginning to feel reasonably affluent. We probably feel a little less affluent today than we did yesterday, but nonetheless we are not suffering. And we are beginning to think more of improving the quality of our life and rather less just of making more money.

We are beginning to see that we want more and better education, not just for our own children, but to have good educational opportunities for every Canadian child. We want better health services, better transportation, less pollution of the air and water. And we are beginning to be concerned about many cultural amenities that our forefathers regarded as frills: things like centres for the performing arts, museums, etc.

In this desire to improve the quality of our life we are not forgetting our own poor. We would all like to see every Canadian at least with reasonable food and housing and educational opportunities. And to add to this I am sure we would all like not only to continue our aid to developing nations but to give more help than we have been doing.

To do all this we must first maintain a thriving and prosperous economy. And this I think is the first vital role of science in Canada. We must use science in every way to increase the productivity of our industry and to maintain our position in world markets.

I feel that we in Canada are getting quite prematurely worried about automation and how we are going to find employment for those whose jobs are eliminated by automation, and how we are going to fill in our leisure time.

It seems strange that we should be worried about automation when most Canadians still need or want many things and quite a few Canadians lack the bare necessities of food, housing and education. We still need to produce a great deal more in order to achieve for all Canadians the standard of living to which we would all like to become accustomed.

But science can not only help in making the things that we need: it can also help us in getting more of the benefits that we want for the dollars that we have to spend. And this I think is the second main area in which science can be used much more effectively than it is at present.

For example the health services and education are becoming tremendous service industries, and they will become larger. Neither health nor education is open to the competitive market pressures that compel the people who are supplying many other services to increase productivity. The emphasis is, quite rightly, on quality not price.

But it is pretty obvious that all the techniques that are useful in increasing productivity in industry can be and are just beginning to be used to increase the efficiency and effectiveness of our health services, education, and so on.

As I see it our problem is to make sure that we get the greatest possible benefits out of our expenditure in these fields. I am not advocating applying the methods of time and motion study in detail to teaching or to nursing but rather that we seek to make sure that in all these services whilch are non-competitive in the commercial sense we do apply the techniques and knowledge that we have been learning in other fields.

A national science policy is really a broad strategic plan on how best to deploy our limited scientific resources in order to make the greatest possible contribution to the cultural, economic and social advancement of Canada. Such a broad strategic plan has not been drawn up in the past. It is broadly the job the Science Council of Canada has undertaken to do.

We have not yet produced a plan, and I doubt if we will ever produce a complete plan, because these things change so rapidly that there will always be changes. But I hope that some time later this year we will be able to give the broad outline of a strategy for the use of science in Canada.

I think that from what I have already said you will see the direction in which our thinking, both of the Science Council as a whole and my own, is going. We are trying to see how science can be effectively used not for the specific narrow interests of, say, industry or the armed forces or any other section of society, but rather to try to see what goals Canadians want to achieve and see how science can be used most effectively in helping to achieve these goals.

We obviously now live in a very troubled world. We have our share of troubles in Canada. We have, of course, our particular problem of the bilingual and bicultural state.

I feel very strongly that this is a soluble problem. It is not a problem that is peculiar to Canada. There are many other countries that have these problems.

Whenever I talk of this subject I am always mildly amused about the story about Dr. Roger Caudry, my colleague, who is Vice-Chairman of the Science Council, when he was appointed the first lay Rector of the University of Montreal. He naturally decided to try to find out how people handled this problem in other bilingual countries. And he started with Belgium. And when he got to Ghent he found the university closed on account of student riots. So we have done a lot better than that in Canada.

But seriously I do regard the solution of problems of the relationships between the French and English parts of Canada as our most important immediate problem. But I do think it is soluble. And I think we have in Canada a broad worldwide responsibility to do everything we can to solve this problem, because surely the future of the world depends on different groups with different languages and cultures working together amicably. And if we cannot in Canada, a country with tremendous natural resources, great wealth, good education, and so on – if we cannot solve these problems, how in the world can any other country be expected to solve them?

If we solve this problem (and I am sure we will) we will not only go forward to tremendous development in Canada but serve as an example to many other countries in the world.

If we can intelligently use science, our immense natural resources and our other talents, Canada will continue to be and increasingly will be one of the finest countries in the world, leading not only in material wealth but even more importantly in the quality of our society.

Thanks of the meeting were expressed by Dr. H. V. Cranfield.

MARCH 14, 1968

Berlin and the Future of Germany

AN ADDRESS BY Professor Robert A. Spencer
DEPT. OF HISTORY, UNIVERSITY OF TORONTO

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

The bloody fighting in Vietnam, the *Pueblo* crisis in Korea, and the foreboding of further racial violence in the United States have been the dominant features of the world news-picture for some weeks now.

It should be kept firmly in mind, however, that while the Berlin blockade, the building of the Berlin wall, and the tragic incidents attending these events, are now behind us, the problems posed by a divided Berlin within a divided Germany are still very much with us. The wall is still there; it is patrolled rigidly, and across it West Germany and the Western Allies confront East Germany and the Soviet Bloc. An uneasy truce prevails; the possibility of crisis and conflict is ever present. In this setting, the question of German re-unification and the easing of East-West tensions in Europe looms larger than ever.

What are the prospects for the future? Will the present fixed situation last indefinitely? Has progress been made towards a workable solution, or are new, and perhaps alarming, developments under way?

To speak to us about these matters, we are pleased to welcome Dr. Robert Spencer, a Professor of History at the University of Toronto and Co-editor of the *International Journal*, a quarterly published by the Canadian Institute of International Affairs. A specialist in European and German history of the nineteenth and twentieth centuries, Dr. Spencer wrote the Berlin section of *The Shaping of Postwar Germany*, published in 1960, and the concluding portions of Ralph Flenley's *Modern German History*, published in 1964. He is also the author of a Grade XII textbook entitled *The West and a Wider World*, and of numerous articles on German questions.

Dr. Spencer's knowledge of Germany is based on first-hand observation, as well as theoretical study. He has paid many visits to both West and East Germany since the end of the last war. It was our provilege to have him address us on November 2nd, 1961, following a year's sabbatical leave spent by him in Germany.

On that occasion, he stressed, among other things, the importance for the West of maintaining and protecting West Berlin's freedom, security, and vital lines of communication. He felt that an open assault against West Berlin – or even a new blockade – were highly unlikely. What was more likely, he said, was an indirect assault on the means of West Berlin's independent existence – a steady whittling away of the bases on which she has been able to live and prosper, each step barely perceptible, and none sufficiently grave to enable the West to say, "So far and no further". Noting that the building of the wall had deprived West Berlin of so much of its *raison d'être*, he said there was a real danger that the exposed outpost would suffer from the gradual onset of atrophy and might become a "ghetto of freedom", to use Willy Brandt's vivid phrase.

Last September, Dr. Spencer returned to Canada from a further year's sabbatical leave in Germany, and his observations during that stay will no doubt be reflected in his remarks today as he speaks to us about "Berlin and the Future of Germany". Dr. Spencer.

MR. SPENCER:

The topic I have chosen is ambitious, difficult and complex; let me begin with a few personal remarks.

When I last had the privilege of addressing the Empire Club, six years ago, in November 1961, I had just returned from an extended stay in Germany. This time I speak a few months after returning from a year spent in the divided former capital. As foreigners my family and I were part of that very small group of West Berlin's 2.2 million residents who could move freely from our home in the West into East Berlin, passing through, under, or over the Wall, by foot, car, subway, or city railway, just as often as we wanted to, or rather, just as often as we were prepared to put up with the tiresome border controls and to pay the non-refundable $1.25 per visit thoughtfully demanded by the authorities of the German Democratic Republic to make certain that we had local currency to provide against "unforeseen circumstances". We were also part of the small group of foreigners living on "Berlin Island" who could and did travel frequently the 110-mile stretch of *Autobahn* between Berlin and West Germany, buying a visa for each trip, paying a road tax, purchasing a special insurance policy, and submitting, at each end of the journey, to the annoying and somewhat unnerving business of having the car searched – a process which involved partial unloading, a mirror rolled under the car and a measuring rod stuck into the gas tank to make sure that no one was hiding there, and all the rest of the dismal business found on no other frontier I know of. Obviously, as foreigners, we enjoyed greater freedom of movement than did the West Berliners; but like them we soon learned to listen to and welcome the sound of the parade of aircraft passing over our house to and from Tempelhof, providing the one link with the West that was free from East German border controls; like them too we came to feel that crushing sense of claustrophobia which came from living on a landlocked island of some 185 square miles – roughly equivalent to the area bounded by Toronto's lakefront and a semi-circle extending from Long Branch to Holland Creek via Thornhill – cut off from the eastern half of the city by the hideous spectacle of the Wall, and barred from the surrounding countryside by a seventy-five-mile-long set of barriers just as formidable, just as impenetrable, as the twenty-eight and a half-mile-long Wall itself.

Many things have changed on the Berlin front since I last spoke to the Club. In 1962, or at least by 1964, the most serious crisis since the blockade, which had culminated in the erection of the Wall, had come to an end. Provoked by Mr. Khrushchov's 1958 demand for the conclusion of a peace treaty and the establishment of West Berlin as a free city, it ended, as it had begun, at the behest of the Soviet leader. The decisive factor had been the United States power. Western determination to resist Soviet pressure at Berlin showed up the weakness of the Soviet position. Confrontation at a point where Soviet military power enjoyed great local superiority only increased the danger that the United States might resort to the use of nuclear weapons. In consequence, after forward moves on the Berlin front extending over three years, Khrushchov was forced to withdraw; and he had the political courage and control over his own people to make withdrawal possible. Whether the initiative for erecting the Wall had come from East Berlin, or from Moscow, is still a matter of doubt. It does appear, however that the move was forced on Mr. Khrushchov by the interests of the German Democratic Republic.

President Kennedy was undoubtedly right when he described the Wall as the most obvious and vivid condemnation of the Communist system; but if its erection was eloquent testimony to the failure to construct a communist society with an open frontier, it has also been the basis of the economic and social revolution which has been quietly transforming Germany east of the Elbe, and that, from the East German point of view, is its justification. What has emerged beyond the Wall is a sort of gigantic concentration camp or ghetto, whose inhabitants, cut off from normal contact with their neighbours, east as well as west, have in general accepted a situation which they are powerless to alter, or, except in rare instances, to flee. With the frontier closed, direct pressure on the population has been eased in some respects, althought one of the most unlovely features of the regime is the daily dose of all-pervading and lying propaganda, and a feature of recent weeks has been a vigorous campaign against watching West Berlin television, which can reach into most areas of the German Democratic Republic.

German Democratic Republic seems an odd name for a state still largely under foreign control and ruled as a party dictatorship, with a new class of technocratic managers playing a key role in its bureaucratized government. Despite obvious planning failures, production on the whole is up, the standard of living has risen (though it lags far behind that of the Federal Republic), the social services vary from adequate to excellent. One might sum it up by saying that the East Germans possess most human needs – except freedom in all its manifestations.

The Wall has lost nothing of its horrors with the passing years.

> Before I built a wall, I'd ask to know
> What I was walling in or walling out
> And to whom I was likely to give offence.

So Robert Frost wrote years ago in a poem which, in 1962, he courageously read before a Moscow audience. There is, I am sure, no truth to the report that he added, "East Berlin papers please copy." The unique feature of Mr. Ulbricht's "state frontier" at Berlin is, of course, that it is designed not to wall out but to wall in. In an attempt to conceal this, and to minimize the ugly impression it makes on all those visitors whom the West Germans bring to see this unusual tourist attraction, the East German authorities are reconstructing the Wall – demolishing the buildings for a hundred metres behind it (notably in the famous Bernauerstrasse, the scene of many escapes in former days), digging new trenches, installing new barriers, constructing more sophisticated lighting, warning signals, watchtowers, and, as a crowning piece of horror, stationing along it large numbers of savage police dogs with leads attached to cables running parallel with the Wall. The emphasis is on "beautification", efficiency, economy of manpower, and permanence – for despite the bold assertion in the title of a recent book by Mrs. Eleanor Dulles that *The Wall is not Forever*, the new streamlined Wall seems to be saying that it is there to stay. It is also, and obviously, an increasingly formidable barrier. Press reports tell us that in 1967, 800 East Germans, each having said, with the Psalmist, "With the help of my God I shall leap over the wall," escaped through, over, or under the Wall to the sanctuary of West Berlin. As a connoisseur of its formidable qualities, I can only say that I marvel that anyone attempts, let alone makes it.

Like the blockade of 1948-49, the prolonged crisis of 1958-62 left Berlin even more sharply divided. From this shock West Berlin recovered with characteristic quickness. The city seems in fact, to be taking an unconscionably long time to "Dry out like a lemon", as Mr. Khrushchov predicted. After a brief period of wavering confidence, the loss of some 50,000 *Grenzgängers*, those who lived in the east and worked in the west, was made up by a flow of workers from West Germany, and the population was stabilized. Berliners soon learned, in short, to live with the Wall in their own half of the city, cut off from direct contact with East Berlin, apart from the holiday passes which were available from Christmas 1963. Since early 1966, however, the price for a new agreement has been judged to be too high, and the gates, for West Berliners, have remained resolutely shut.

No one working in, or visiting, West Berlin today can fail to be conscious that it is a busy, vibrant, bracing city, showing few of the scars of wartime destruction, boasting miles of new streets, many new and some handsome buildings, and managing to live and to prosper in a quite extraordinary fashion, despite the ugly scar of division down its centre and the barring off of its hinterland. If all this owes much to subsidies, and special tax arrangements from Bonn, it also owes greatly to the sturdy qualities of its population. Berlin is a proud city, proud of its unique post-war record and determined to live out quieter days in prosperity and freedom, as it overcame the stormy and dramatic challenges of 1948, 1958, and 1961. It stands today, still, as spectacular evidence of the surrounding German Democratic Republic's failure to convince people who are free to choose.

And yet, despite economic and social and cultural advances, despite the air of calm and the appearance of normalcy, it is clear that West Berlin faces serious problems which strike at the root of its very existence. For two decades the city has served as a lonely outpost of freedom behind the iron curtain, occupying a unique position that called forth such oratorical flourishes as "a democratic island in a communist sea". Sebastian Haffner once summed up the city's political role as the threefold one of providing "a showplace, a refuge, and a token of four-power commitment to German unity". The crisis of 1958-62 weakened the function of showplace, it almost destroyed the function of refuge, and it threw doubts on the validity of Berlin as a pledge for reunification. An isolated exclave of the Federal Republic, West Berlin is quite literally a product of the partition of Europe; it owes not only its limitations but its security, its prosperity, and indeed its very existence to the cold war. In an age when Moscow and Washington are seeking to abate the acerbities of the cold war, West Berlin inevitably faces a major problem of adjustment: Berlin did not create the crises which centred on the city in the past two decades, but it certainly thrived on them. What function remains to an isolated and divided city that was a product of the cold war in an age of developing *détente*?

Cold war memories and attitudes, the reiteration of the old slogans and the worship of the stale taboos, will not suffice for a policy in a different age, and of this Berliners, despite the precariousness of their situation, are more aware than most. Their problem is to define a role or to find a mission which takes account of Berlin's peculiar situation, geographically and politically, and which will assure the city's vitality without compromising its security. To turn the front line city of the cold war into a bridge to eastern Europe is splendid in concept but breaks down on the hard fact that by its mere existence West Berlin is a standing challenge and a tempting opportunity for its surrounding neighbour. To try to develop West Berlin as an *entrepot* for trade with the East fails to take account of the fact that Berlin's trade is overwhelmingly with West Germany and beyond, for the simple reason that the East cannot buy, or cannot pay for, what Berlin produces. If it is to live, West Berlin – Germany's largest industrial city – must continue to produce the industrial goods it can sell in the West, and sustain its population at present levels, and this places a premium on maintaining the ties with the Federal Republic which it is a primary objective of Russia and East Germany to break.

As it strives to maintain its economic, and thus its political viability, West Berlin will have to reckon with occasional external threats, especially along the precarious access routes now entirely in the hands of the German Democratic Republic. At the turn of the year there was a flurry of excitement associatd with Ulbricht's projected new constitution which is presumably to redefine West Berlin's status as an independent free city by grace and favour of the German Democratic Republic, on whose territory, in the communist view, it lies. But there appears to be ample evidence that at the moment the Soviet Union does not want to risk a further confrontation over Berlin; and Ulbricht has been obliged to backtrack. Although in recent weeks his customary diatribe has been more violent in tone, it has become increasingly non-committal in substance, while the Soviet Union has refrained from pressing demands it knows are unacceptable, such as the ending of the economic integration of West Berlin with the Federal Republic, and the presence of the forces of the Western Allies. On the other hand, Berlin, like Quebec, is not a *Land*, or province, *comme les autres*, and in present circumstance cannot be. Any debate with the East must begin with these basic points clear to both sides: the recognition, that is, of Berlin's anomalous status as a remainder of four-power control. Whatever talks do take place over Berlin, it is worth remembering so to speak, that not many more slices of salami can be cut from the sausage without drawing blood.

Internally, too, West Berlin faces, and will continue to face, difficult problems. There must always be concern for Berlin's economy. The city suffered from the same recession which hit the Federal Republic in 1966-67, though it escapes, for example, the problems associated with the perennial crisis in coal districts of the Ruhr. Rationalization has resulted in increased productivity with a smaller labour force, and more beneficial results would flow if it were ever possible to cut down the excessively large bureaucracy which is a product of the past as national capital. Raw materials flow in and finished goods flow out along the access routes, relatively unhindered, because at the moment it is in the interests of the German Democratic Republic that they should do so. There are those who fear that only a fresh wave of industrialization, reorganization of the economy and new directive measures will preserve the city's viability and head off a creeping structural crisis. New industries, new functions, are, and clearly will be, needed. Moreover, with a population of some 1300 women to every 1000 men, with half the Berliners over fifty years of age, and a fifth over sixty-five, and so dependent on the earnings of the rest, there is a continuing need to attract young people to the city and to keep them there – and this means housing, jobs, security, and opportunity.

A profound sense of the need for political stability in an exposed situation contributed to the recent political tumult in the streets of Berlin. Berlin has a healthy history of left-wing agitation. In 1848 Berliners humiliated the Hohenzollern monarchy; in 1918 they overthrew it. In 1920 a general strike saved, for a time, the infant Republic from right-wing nationalists. Goebbels boasted that he won his battle against the workers of Berlin; but he misrepresented the facts. Even in the elections of March 1933, with Hitler as Chancellor, Goering in control of the police, and the SA in command of the streets, Berliners voted overwhelmingly socialist and communist. Hardly surprisingly, since 1945 Berlin has been a socialist stronghold. The Social Democrats have dominated the government, and have led the reconstruction of the city and the battle to preserve its freedoms. Willy Brandt, the foreign minister in the present "grand coalition", held Berlin firmly in his hands, employing a judicious mixture of traditional *Berlin bleibt frei* gestures with attempts to overcome or at least to mitigate the facts of division.

Brandt was described by his successor as a kind of manhole cover; for when he left for Bonn a year ago, "all the underground poisonous gases exploded". Spearheading the mixture was student unrest. It is also easier to explain this than the unrest in Berkeley or London or Toronto, or, in recent days, in Warsaw. In part it is the familiar generation problem; in part frustration at the dead end of the road to reunification marked by the Wall; in part disillusionment at the formation of the "great coalition" in Bonn; in part a general protest against surviving authoritarianism, especially in the universities, and the traditional postures of the past two decades. It is easier to explain the paradox that German student agitation, in part very earnest, in part the result of deep personal engagement, but in part naïve, laughable and even shameless, should centre in the front line city. Until 1961, Berlin's Free University (itself a product of the cold-war splitting of the city) was composed of students from West Berlin, East Germany, and the Federal Republic in roughly equal proportion. But the Wall cut off the recruits from the East who guaranteed a solid anti-communism, and now West German students greatly outnumber Berliners, and find in the divided city, free from the presence of the *Bundeswehr* and with a university constructed on a more democratic basis than any in West Germany, an ideal field for political engagement in which the principal target is not Ulbricht and the Wall but Johnson and Vietnam.

The bitter encounter with the police last June 2, on the occasion of a visit by the allegedly slave-owning Shah of Iran (in which a student was shot and killed by a police officer who has subsequently been acquitted of responsibility), contributed to the downfall of Heinrich Albertz, the likeable, upright and well-meaning ex-pastor on whom the heavy mantle of leadership had fallen following Brandt's departure. To succeed him Brandt agreed to part with Klaus Schütz, the 41-year-old scholarly socialist who had masterminded much of Brandt's recent political campaigns and whom Brandt had taken to Bonn to fill the heavy role of state secretary in the foreign office. But Schütz, too, has failed to meet the political crisis inside the city and inside the socialist party, which is sharply divided on how to cope with student unrest and Berlin's other domestic problems. When the students persisted in a massive anti-Vietnam demonstration despite a police ban, Berlin was saved from a bloody confrontation only by good sense of the courts who rescinded the ban. Once again on February 18 the Kurfürstendamm witnessed the curious spectacle of pictures of Mao being carried in procession and chants of Ho-Ho-Ho-Chi-Minh, as left-wing leaders of the Social Democrats joined in on the grounds that they could not abandon the students to their radical leaders. Three days later the government contrived a counter demonstration two miles away on the John F. Kennedy Platz in front of the *Rathaus*. The extent of the clash has been exaggerated in banner headline in one Toronto evening paper; and I doubt that there is sufficient similarity to the atmosphere of Russia before 1914 or of Nazi Germany before 1939 to justify the use of the term "pogrom". None the less, the students have discovered techniques which can stir up violent opposition, and the divided front line city presents a dismaying confrontation of total and irrational negation on the one side and a mindless instinct for repression on the other. Klaus Schütz's position is one of the most difficult in Germany. Whereas the leftist students have only one enemy – the Establishment, Schütz must defend many interests. He knows that Berlin owes its continued freedom to the United States, and is accordingly troubled by anti-American demonstrations. Still, as we have seen again in the past few days, the United States itself preserves the right to dissent in striking fashion; and what Berlin must demonstrate to the surrounding East is that it has a genuine democratic structure in which the right to protest in an orderly fashion is guaranteed – and that official or state organized demonstrations belong on the other side of the Wall.

I have been talking about Berlin and its problems rather in isolation; but it is clear that Berlin is a product of the larger German problem, that is, of the East-West confrontation over Germany which has led to a prolongation of the division of the country and the division and isolation of Berlin. The Berlin problem, in other words, will endure as long as the German question remains unresolved, and here, of course, we are up against a major and genuine clash of interests. It is ironical that, at the very time when the lines of division appear to be hardening as *détente* progresses, when in the West there is so marked a tendency and so thoughtless a readiness to acquiesce in the recognition of the *fait accompli* of the division of Geramny, German interest in reunification should have quickened. Why I think there is a strong case against any abandonment of the West's moral and treaty pledges to work for German unification in freedom and through peaceful means, would require a special talk; on this occasion you will just have to take it as my opinion that the stability of Europe and the security of Germany's neighbours require a solution that does not build in potentially explosive resentments. In passing, however, I should like to bury some myths about East Berlin's claim for recognition and about Bonn's claim to speak for all the German people. An East German state unquestionably exists; but to recognize that fact, to have commercial and even official dealings with the East German state is rather different from diplomatic recognition. Diplomatic recognition is a political act, fraught with political consequences. Before embarking on any such course we must consult our own interests and, not least, the interests of our West Germany ally. That ally, to advert to the other myth, possesses in fact the only freely elected German government, and that is the only basis of its claim to speak for the German people.

How the Germans and the Allies are going to solve, or at least to ease, the harsh fact of division is difficult to see, it is certainly not to be solved by panaceas. Bonn's current efforts to work out political and economic accommodation with the countries of central and eastern Europe, including the German Democratic Republic, have been to date relatively unrewarding, but under present circumtance there appears to be no other way. These efforts have received far less recognition in the West than they merit. This seems to confirm two results of the Berlin crisis of 1958-62. West Berlin's role in the 'fifties had been to hold the door open to reunification; after the crisis emphasis shifted to a defence of Berlin's (and West Germany's) position, with the West apparently willing to pay for the freedom of West Berliners with the unfreedom of East Germans. Secondly the crisis resulted in a marked rise of anti-German sentiment in the West – an anti-Germanism that is more than an irrational prejudice but rather a political factor resulting from the wartime Vansittartism which regarded the Germans as having received a double dose of original sin. This, indeed, may have been Khrushchov's chief gain from the crisis. Too often the Western press seems to have little interest in reporting anything from Germany save the rantings of Adolf von Thadden or the lamentable but inconsequential past of Heinrich Lübke. Little attention, and scant respect, is paid to the accomplishments of the vast majority of Germans, who have displayed a really quite remarkable success in learning and applying the rules of the democratic game, and who have been remarkably unaffected by the siren calls of the ultra nationalists.

In the last few minutes I've been talking not about Berlin but about the German problem, which Richard Lowenthal recently described as "the major remnant of the cold war and a nuisance to both sides". In this problem Berlin, though devoid of any military significance, plays an important political role. A great Russian leader was once said to have remarked that, "Whoever holds Berlin, holds Germany, whoever holds Germany, holds Europe." And that statement is probably as true today as it was when, forty years ago, it was made by Nicholai Lenin.

Thanks of the meeting were expressed by B. J. Legge.

MARCH 18, 1968

Tax Reform

AN ADDRESS BY Kenneth LeM. Carter

CHAIRMAN C. J. Laurin,
PRESIDENT OF
THE CANADIAN CLUB OF TORONTO

JOINT MEETING THE EMPIRE CLUB OF CANADA
THE CANADIAN CLUB OF TORONTO

MR. LAURIN:

We welcome you today to this joint meeting of The Canadian Club of Toronto and The Empire Club. I will ask the President of The Empire Club to thank our guest of honour, later.

When our speaker today went fishing during the fall of 1962 he had no idea that events were in motion which would change the whole course of his life – and might well change the course of ours.

It took Ottawa about 3 days to locate him, and about 5 minutes to ask him to chair the new Royal Commission on Taxation.

His background, experience, interests, and energy, all fitted the qualifications exactly, and he accepted.

No doubt he well knew the magnitude of the job he was undertaking, because this is the field in which he has been a lifetime expert. But he could not possibly have envisaged the true dimension of the task, the time it would take, and above all the difficulties to be encountered in having the final results widely understood.

The complexity of the problem became more and more apparent as the hearings progressed, and Mr. Carter recognized the situation in the introduction to his report. I quote:

> "A tax system can be judged from different points of view. Is the system fair? Does it contribute as much as possible to the growth and stability of the economy? Are the rights and liberties of the individual protected? Does it help to strengthen the federation?
>
> These questions reflect not only the many facets of taxation but also what we believe to be the principal objectives that Canadians wish to realize through their tax system. They want equity, more goods and services, full employment without inflation, a free society and a strong independent federation."

While we, as businessmen and individuals, may dislike taxation, we all recognize that we can't turn the clock back and that heavy taxes are here to stay. Government has made itself a major partner in every business in the land and it takes a very significant portion out of the earnings of every individual.

We are all therefore particularly sensitive to tax methods and to basic tax philosophy. On such a hot topic as taxation most of us don't like taking a new look at old problems.

The *kind* of tax system we have has much to do, not only with raising money, but with determining the very major questions of Canadian economic growth, reasonable price stability, and so on.

There is a difference of opinion about some of the Royal Commission recommendations. There is no chance of our very antiquated tax system getting a major overhaul until after the present political battles at Ottawa are settled.

But one thing is certain: Tax reform must and will be tackled at Ottawa before long, and no matter what government is in power, the Carter Royal Commission Report will be the starting point for that reform. So Mr. Carter's work becomes THE basic documentary study in this extremely vital area for all of Canada and for all Canadians.

We are very fortunate to have such a man with us in person today – Mr. Carter.

MR. CARTER:

Since the Report of the Royal Commission on Taxation emerged a little over a year ago I have followed the comments and criticisms with great interest. While some of the comments have shown a fair knowledge of the tax systems of Canada and other Western countries, and have I think contributed to a general understanding of the subject, others appear to me to strongly oppose any tax reform along the lines that the Commission recommended, or any other lines. I remain proud to be associated with this Report and firmly committed to all it contains. I recognize the immense importance of tax reform if we are to have a fiscal system in keeping with the needs of our country.

It has been suggested that there are two general approaches to tax reform: one of these is to devise a total plan which takes into consideration the customs and habits of Canadians as well as the state of the economic development of the country; the other would be to assume that the present system is basically what Canadians require and to direct recommendations to correcting its apparent inequities and anomalies.

Most of you will recall that the second of these routes is that generally followed in the United Kingdom, where they have been richly endowed with excellent royal commissions on taxation, each addressed to specific problems. I do not consider that this has produced a good tax system. In fact, I consider the British tax system has been so bad as to have added significantly to the economic ills of that country. It has a relatively narrow tax base with confiscatory rates, which have unquestionably contributed to the export of talent and the depression of the efforts of workers. I am firmly convinced that had the first route been pursued in Britain many years ago they would have ended up with a broader tax base and lower rates.

I, for one, would not have wished to be associated with a commission which had a restricted approach to tax reform. It must be evident that any recommendations regarding parts of a tax system can only be useful if they have regard to the whole. If one considers that the whole system is itself faulty, it would be a very unsatisfactory task to be patching up parts.

The terms of reference given to us were: ". . . to enquire into and report upon the *incidence* and *effects* of taxation imposed by Parliament, including any changes made during the currency of the enquiry, upon the operation of the national economy, the conduct of business, the organization of industry and the positions of individuals; and to make recommendations for improvements in the tax laws and their administration that may be consistent with the maintenance of a sufficient flow of revenue. . . ." These instructions went on to spell out a number of specific matters without restricting the generality of the foregoing. One of these is ". . . the means whereby the tax laws can best be formulated to encourage Canadian ownership of Canadian industry without discouraging the flow of investment funds into Canada."

Our first undertaking was to address ourselves to a number of Canadian organizations and enquire as to just how they would interpret our terms of reference. These organizations were the Canadian Tax Foundation, the Canadian Chamber of Commerce, Queen's University Tax Study Group, Canadian Manufacturers' Association, Canadian Labour Congress, Canadian Institute of Chartered Accountants, the Canadian Bar Association. Their comments on the direction of our enquiry were most helpful and carefully considered by us.

After listening to some 220 submissions rendered to us right across Canada, it seemed clear that there was a strong case for general tax reform. What we heard and what we found caused us to indite the existing tax system in accordance with the 7 points set forth at the beginning of our Report, namely that:

1. The present system is unfair: We found that, based upon the criteria in the Report, 3,125,000 persons are overtaxed 15% or more and 631,000 are undertaxed 15% or more.
2. Canadians are less well off than they could be because the present system distorts the distribution of productive goods and services and does not assist in the efficient allocation of such goods and services.
3. The fiscal system is not being used as effectively as could be for economic benefit.
4. In some fields, compliance and collection costs have been needlesly raised because of duplicate federal and provincial administrations.
5. Federal tax administration is not sufficiently shielded from political influence and is too centralized.
6. Federal procedures used to obtain and analyse new ideas prior to the introduction of legislation are inadequate.
7. Federal administrative and judicial appeal procedures are deficient.

We stated in our Report that when we commenced our undertaking our bias was that the present system was basically sound and compared favourably with the systems of other countries. Our enquiry did not change this view, but simply that we felt the system fell far short of the attainable objectives. I might add that we also found that the morality of Canadian taxpayers is relatively high. I believe that it is about on a par with that of the United

States, and I consider that they are both higher than in European countries. This morality is a delicate flower and could shrivel very fast if taxpayers concluded that the burdens of government were unfairly apportioned.

What are the major reforms that are required? It is difficult to state these briefly, seeing that we have written over 600,000 words and we believe we have wasted none whatsoever. However, I will pick a few that I consider to be urgent.

I agree with the statement of the Canadian Chamber of Commerce in their submission to us that the tax base should be broader. The choice in devising a tax system is whether to pick out a few items for one's base and bring those into assessment, or to use a great many items and produce the same amount of money with lower rates. Broadening the base has the disadvantage of bringing into assessment many transactions which have so far been unfamiliar to Canadians as matters for tax. However, the amounts I speak of are so huge that by contemplating a broader base, together with wiping out some concessions, we were able to recommend the elimination of the double tax on corporate income of Canadian residents and at the same time to reduce the Canadian income tax rates to where they are comparable with those of the United States. This meant average reductions of 15 to 20% and a top rate of 50%. However, the roar that has gone up concerning the broadening from those affected has been immense. Almost everyone is adversely affected by a broader base and favourably affected by lower rates. The net result is different for every taxpayer. For the most part, complaints look at one side only and thus either mis-state the results or greatly exaggerate the injury. Perhaps this is good fighting tactics, but hardly gives a fair appraisal of the Report.

We would bring capital gains into tax, because we see no difference in the benefits whether capital or income. We report that the ability to pay taxes depends upon economic gains without regard to the source from which they come. The usual reply disregards fairness and states that such taxation would produce very small revenue and would be difficult to administer. The answer, of course, lies to some extent in the results of the U.S. system, which even with a faulty tax produces about 6% of its income tax from capital gains. It has been said that every other country in the world distinguishes between the taxation of capital and income by a special preferred rate to capital. This, of course, is just not so. The distinction given to long-term holdings is not a distinction between capital and income. The United States' courts dismissed such a distinction about 1916. The reason for a difference in tax rate is simply because under a graduated rate schedule it would be unfair to bring into the income of one year accruals that have occurred over a long period. This unfairness can be met by either the lower rate, which has been adopted in the United States, the United Kingdom, and many other countries, or by a more liberal system of averaging. We preferred the latter, particularly when taken along with some of our other recommendations: namely, to reduce the top rate of tax to no more than 50% and to eliminate corporation tax as it pertains to residents.

I cannot leave the matter of capital gains tax without drawing attention to the fact that our proposed system does not duplicate the taxation of undistributed income of corporations, whereas the capital gains taxes of the United States and every other country I am aware of does exactly that. Increases in the value of shares come about because of the accumulation of earnings and also because of the improvement in the prospects of future earnings – let us call the latter "goodwill" gain. Studies over a period of time have shown that on average the accumulation factor is about equal to the goodwill factor. In the United States earnings, whether distributed or not, are taxed at the corporate level, a little over 50%, then when the shares are sold the undistributed portion is again taxed as part of the gain on the shares but at the reduced rate applicable to long-term gains where that applies. Thus undistributed earnings would, therefore, always be taxed more than 50%.

Under our proposal, earnings would be taxed at the personal rate of individuals and that is generally less than 50%, which is the top rate proposed. The undistributed portion of earnings would not be taxed again upon the sale of the shares. The goodwill factor under the United States system will be taxed at the reduced rate for long-term holding, and in Canada it would be taxed at the full rate. If you put these two together you will see that the total taxation of share gains in Canada would average less than in the United States. What is more, under our proposal there would be an averaging procedure, which is not available in the United States.

It is now freely predicted that we are likely to have a U.S.-style capital gains tax. Indeed, I think that from the public reaction to our Report, the Government is quite apt to choose this course. Of all the weak parts of the U.S. tax system, most U.S. commentators would state that their capital gains tax is the weakest. The only thing to be said in its favour is that it is more equitable than the complete absence of a capital gains tax.

Now after broadening the base and lowering tax rates, perhaps the next most significant reform we recommend is the elimination of the discriminatory tax against the income from corporate shares. We refer to it as integration of personal and corporate taxes. Such discrimination does not apply on the income of co-operatives, on the income from indebtedness, such as bonds and debentures, on the income partnerships, sole traders or trusts. During the hearings the significance of this discrimination was pointed out to us by such associations as the Canadian Manufactuerers'. Many others referred to the unfair advantage of co-operatives over corporations, or the underwriting bias favouring bonds over stocks. Perhaps some hoped for double taxation of co-operatives, but in my view that would be a ridiculous solution, unless one believed in double taxation, which I don't think has ever been supported broadly by Canadians.

The elimination of the double tax on corporate income is, of course, an old story in Canada. Up until 1926 the evils of double tax were recognized and dividends were not taxed. This did not continue and the question of double tax was raised by the Rowell-Sirois Report in the middle thirties. It became the subject of lively discussion in the late forties, when many revisions were made to the income tax law. So far as I know, nobody was at that time able to figure out an acceptable mechanical method of achieving this. When the Commission staff came forward with something very like our recommendation, I felt that they deserved medals for persistence and ingenuity. The integration principle has been greeted by the thought that it is radical, but I am sure that it is only radical to Canadians, or possibly citizens of the United States. When the Canadian dividend credit was introduced in 1953 the Minister of Finance stated that he considered this to be a first step towards the ultimate elimination of double tax. The 1953 increase in the dividend credit to 20% went some distance towards integration but with little regard to equity.

Up until 5 or 6 years ago the United Kingdom allowed full credit to shareholders for underlying corporation taxes. They did this by a method of gross-up. However, circumstances destroyed the purity of the tax by imposing on corporations a separate profits tax for which credit was not allowed. It is noteworthy that the United Kingdom abandoned their integration procedures in order to discourage the distribution of earnings by domestic corporations as well as achieving some other objects, and at the same time – or close to the same time – the French adopted an integration system to encourage retention of earnings by corporations. They each proceeded in opposite directions to achieve the same ends. It was assumed by the French that a lower tax on dividends would reduce the pressure from shareholders for increased dividends. We came to the same conclusion. Germany has avoided double tax on corporate income by differentiating between the rate of tax on distributed and undistributed earnings. I observe that proposed reforms in Belgium include the elimination of double tax on corporate income.

Only about 3½% of the total portfolios of Canadian life insurance companies are invested in Canadian equities, and we expect that the integration plan would unlock much more of the wealth of financial institutions for investment in corporate ownership. At present they do not obtain the benefit of the dividend tax credit whereas we would extend to them full credit for underlying corporate taxes.

Our integration proposal was not conceived to discourage foreign ownership. However, by eliminating the tax law's discrimination against dividends of Canadian residents, it satisfies the instruction we received in our terms of reference, and which is quoted above, as to the encouragement of Canadian ownership. I have stated in the United States that only by their adoption of an equally sensible law could we, by reciprocity, place their residents holding Canadian shares in a position equally favourable to Canadians. At the same time, as our shares become more attractive to residents, Canadian bonds should become slightly more attractive to non-residents.

It has been suggested that this is not a suitable time for making drastic changes in the Canadian tax laws; rather we should wait until the laws of the different nations come closer together so that we are moving in the right direction. This, of course, would make very good sense if there is any indication that time would bring tax laws closer together. Indeed, I think that the reverse is true without some conscious effort on the part of nations to achieve this, such as is happening in the European

Economic Community to promote the flow of trade. You might think that the tax laws of Canada and the United States would in some ways resemble each other. Let me remind you that they could scarcely be further apart. The United States taxes the family by the device of splitting income – Canada does not. The United States depends mostly on income tax – Canada depends very largely on sales and excise taxes. The United States does not distinguish in its taxation between capital and income – we do; Canada provides some degree of integration of corporation and personal tax by the 20% dividend credit.

Another significant reform that we recommend is the taxation of the family rather than the individual. This, of course, is the practice adopted in most Western countries and yet I believe there are many Canadians who consider it a radical departure. Before we commenced this task it was very commonly stated at tax conferences and in conversation that it is grossly unfair that two families with similar income and responsibilities should pay different amounts of taxes because in one case the income was attributed to one consort and in the other was divided between the two. Naturally, the present administrative difficulty of keeping the two streams of income clearly identified against the interest of the taxpayer is immense. Consistent with the family principle, we would not bring into tax transfers between spouses – inter-vivos or at death.

Now I would like to add a few words on the taxation of estates. It must seem fair to you as it did to us that taxes of all kinds be borne in accordance with our ability to share the costs of government. I readily admit that there are various ways of measuring this ability but the Report suggests that perhaps the most satisfactory measure is the receipt of wealth: that is, the total economic gain over a lifetime. Following from this I think it is important that wealth received by gift or inheritance be included in the tax base. Then we must consider who pays that tax and look at his ability to do so. It seems to me that gift or inheritance tax may be paid, but can never be borne by, the donor or the testator – in the latter case he is dead. The tax is borne unquestionably by the person receiving the gift or the inheritance and I believe the amount of tax should have regard to the circumstances of that person. Then, of course, it would be grossly unfair under a system of progressive taxation to include such a receipt in the tax base of one year without some means of averaging. We have provided a maximum of ten years and it has been suggested that this is too short and the result tends to be punitive. There may well be merit in such an observation and perhaps the period should be extended to twenty years or even longer seeing that the amounts given or transferred on death have been accumulated over a long time.

I have noticed many statements to the effect that amounts received from this source should not be included with ordinary income but should be taxed at a special rate. About a year ago I was seated at a table between two men for whom I have a very high regard – one is from the United Kingdom and is, perhaps, the senior tax lecturer and writer in that country, the other is a senior professor at one of the large universities in the United States and amongst his subjects is included taxation. He has served his government in a senior capacity in taxation. At that time I addressed a question to these two gentlemen. Simultaneously, I asked whether in their opinion the receipt of inherited wealth should attract a greater or a lesser tax than the receipt of one's ordinary salary or wages. The American replied that, in his opinion, it should attract a great amount of tax seeing that it was in the nature of a windfall and taxation thereon would be less painful than taxation of one's salary. The Englishman, on the other hand, said that inheritance should attract less tax, and then he admitted readily that he could not support this by reason but he was moved by the traditional approach to the distinction between capital and income in the United Kingdom. In all events, this left me reasonably satisfied that what was set out in the Report was right down the middle of the fairway.

Many people advocate that inheritance taxes be completely done away with. I think I must remind you that the annual take is about 4 to 5% of personal income tax. Well, I for one am not prepared to have my income taxes hoisted 5% or more in order that a relatively few members of society can receive their inheritance tax-free. Inheritance taxes may seem harsh on those families who have fostered and developed private companies, and whose estates do not provide protection against taxation on such assets, however it is hardly reasonable that tax laws exact a lesser toll from an estate consisting of bricks and mortar than from an estate which is composed of liquid assets. This does not mean to say that the state should not be compassionate in its collection and accept reasonable terms of payment providing the debt is properly secured and it bears interest.

It must always be remembered that taxation never rests on property or things. It is borne by people. Sometimes we talk about it as though it is borne by corporations, but this of course is not so. It is borne by shareholders of corporations, or by customers of corporations, or employees of corporations. The interesting part of this task has been its total involvement with people. It is important that the incentives of people to work in Canada are maintained to the same extent as incentives for Canadians to invest in Canadian enterprise. We found no merit in arguments that the product of investment should be taxed more or less than the product of labour.

In our Report we stated that we gave primacy of place to the equity objective. Some of our critics have claimed that we gave inadequate attention to the uses of the tax system to encourage economic growth. Four points should be borne in mind:

1. Social instability is inimical to growth; and an unfair tax system is one of the major causes of social instability.
2. The present tax system is so inefficient that it is possible to make it more equitable without reducing the rate of growth.
3. The Report suggested a variety of policies that could be implemented if Canadians wanted a more rapid rate of growth – such as accelerated depreciation and a system of investment credits. These growth policies would be both more efficient and more equitable than most of the concessions contained in the present tax structure.
4. The Report recommended many changes in the tax structure that would offset the negative economic effects of changes that were justified on the grounds of equity. Lower marginal rates, full loss offsets, generous and full credit for corporate tax are notable examples.

We believe that we can have more equity and more growth. To argue that we stressed equity at the expense of growth is to suggest that the present system is an efficient taxing instrument. This we deny. Indeed, when one considers how and why the present system evolved it would be strange indeed if it were efficient.

We have endeavoured to make clear that an appraisal of the effect of each recommendation taken by itself is quite unfair. For instance, capital gains taxation alone would quite obviously depress the stock market and would probably impede investment in risky projects. By allowing the full write-off of capital losses and by removing the restrictions on the deductibility of business expenses and losses, and simultaneously adopting the integration proposal, our studies show that this will not be harmful. One can go on to say that capital gains tax taken together with a reduction in personal tax rates, which can be achieved as a result of the taxation of capital gains, will produce a good economic result.

In emphasizing equity ahead of growth we recognized that taxation is primarily a means of transferring purchasing power from the citizens to the government. Taxpayers must be satisfied that it is done fairly. Taxation has, of course, significant economic effects. We describe it as one of two blades of scissors in the fiscal system. The other is expenditure, and finance ministers are concerned with both as well as with such other economic tools as monetary policy and debt management. Taxation has an important role in achieving economic stability.

There may well be some economic ends in business growth that taxation can serve best. However, it is my view that taxation has been over-used for such purposes in the past. I can see no difference to a taxpayer in exacting from him the full amount of taxes on parity with other taxpayers and then bonusing him with government funds for economic or social purposes, or on the other hand reducing his taxes by the amount of the bonus. But, I can see vast differences to government. Tax abatements slip by in government accounts with very little public concern, the amounts of such abatements as we have seen, can become huge. I submit that if these amounts, or if similar amounts, were paid out in subsidies they would be apparent and subject to annual review. What is more, it is possible that they would be withdrawn, whereas a tax abatement once adopted seems to be established for all time. Tax abatements can only benefit profitable taxpayers, whereas to assist or direct economic growth it is frequently desirable to provide help before profits result. Whether we abate taxes or pay subsidies, there should be public and frequent review of the benefits received against the taxes conceded or payments made. Conditions change and government funds can readily be used inefficiently.

During the time of our enquiry I travelled to Italy to ask about the tax concessions and subsidies they had given to establish industry in the South. This was a very extensive programme and covered tariff concessions, government interest-free loans, property concessions, and many others. It also included income tax exemption for 10 years. My Italian informants all told me that they considered the least important of the concessions to be income taxes. In all events, I think it is clear that one must have regard to all the circumstances and needs of each region to prescribe the right mixture for its development. Taxes are only one of the tools. Our Report recommends a full-scale research programme to learn more about the process of regional growth.

I suggest that if we believe in the efficacy of free capital markets, we generally leave it to them to provide the most efficient allocation of the capital resources of the country. To the extent one varies the tax rate between industries in Canada, one deliberately interferes in this allocation, and expresses a preference for one kind of production over another. If any such interference seems justified, it should be done with extreme caution, for it may well reduce the total productivity of the nation.

Returning to tax reform, I believe firmly that there can be little if any reform without a complete plan for the revision of the entire system, even though this be implemented gradually. Presumably this is the purpose of the long promised White Paper. If the plan contained in our Report is not the best plan for Canada, there must be developed an alternative plan or we will never reach a good system. This is because the political costs of amending some taxes are high and taken by themselves may be unalterable. The taxes that can be imposed with the lowest political costs are obviously those that are the least painful and I suggest that in our system they are the sales tax at the manufacturers' level and corporation taxes. The incidence of both these taxes are well diffused throughout the economy and to a large extent emerge in higher prices for goods.

The French, who have always been probably the world's experts in plucking geese with the minimum of squawks, have a hidden sales tax which is now as high as 25%. This is by the route of "value added" taxation and certainly I would not like to see any such plan adopted for Canada. In my way of thinking, bad taxes are those where the effects are concealed from the taxpayer and which generally emerge only in the higher prices of goods where one cannot discern how much of such higher prices is due to taxation. We are all very fond of saying that governments must reduce expenditure. I can think of no more effective means of discouraging politicians from increasing expenditures than by making taxation as painful as possible.

Conversely, if I were a politician, I would like to find the least painful method of taxation and obviously I would look to indirect sales taxes and corporation taxes. Now, in our Report we have said that both of these should go and without a national tax plan and some help from interested citizens I think it is asking quite a lot of politicians to deliberately throw out their tax friends. At the time of our hearings, manufacturers' sales tax did not appear to have a friend in Canada, largely for the reasons I have just given. In fact, it was almost universally recommended that it be transferred to a tax at the retail level, irrespective of what the total rate of retail tax might then become. We would then all know what was our sales tax burden. Nobody knows the extent to which corporation taxes are reflected in the higher prices of goods, but I suspect that it is substantial. It is not possible to tell with any accuracy what would be the effect of our integration proposal on the price of goods. I believe that over a period of time price reductions or lesser price increases would be quite significant.

I think that there is little doubt that if we wish our productivity to be competitive with that of our great neighbour we must try, as far as possible, to eliminate concealed taxes from the price of our goods. If we do not, we will, I believe, force up labour costs and damage our competitive position.

It is encouraging to learn from the newspapers that my fellow commissioners and I do not stand alone in believing that considerable tax reform is necessary to Canada and that now is the right time for it. If any of you share our opinion in this regard I hope that, even though your views may not coincide with the recommendations of the Report, you will do everything within your power to encourage reform in order that Canadians may have confidence that they bear no more than their fair share of the cost of government and that taxes may not impede economic growth.

I have little patience with fears that tax reform may upset the economic balance of the country. Canada is a large country in area and in population. We are a relatively affluent people, industrious, well-educated and healthy. We are endowed with good land, fresh water and minerals – indeed, we are a strong country whose problems appear to be mostly of our own making and avoidable. We are quite capable of withstanding economic jolts from tax reform.

In reading some material sent out by a life insurance company I noticed these words, "I find portions of the Report to be highly consumption-oriented, and with a definite bias against personal savings." This sentence appears to mean that the recommendations of the Report encourage people to spend and discourage them from saving. The only support, I know, for such a statement is that we would remove concessions to one form of savings so as it be taxed the same as others, and I have no apology for that. It must be evident to all that lower taxes imposed on the vast majority of taxpayers, and particularly on those of low income, will improve their opportunity to save. I think a tax system should not exempt all savings from tax, if we had concluded otherwise it would have been logical to recommend scrapping income tax in favour of an expenditure tax.

The frustration of this exercise today is the limitation of time. Many of my statements are inadequate and I have omitted several important matters. However, I cannot close without stating that fair taxation and cheap, easy administration do not generally go together. The two worst taxes we have – namely, manufacturers' sales tax and corporation tax – are collected relatively cheaply and efficiently.

I urge those of you who have not done so to read the Report. It is no longer than other royal commission reports. The reading time is about 20 hours for a fast reader and about 50 hours for most of us. You will then find that discussing it becomes more rewarding and only by reading the Report itself can you examine the reasons for its conclusions. You may then understand that the word "radical" is badly chosen as a description of our work. There is scarcely a significant recommendation which has not been applied in some other country or has been the subject of tax literature for years. To those of you who have read it, I express appreciation and the hope that you can support what I have just said.

Thanks of the meeting were expressed by Graham M. Gore, President, The Empire Club of Canada.

MARCH 28, 1968

Canada—Whither?

AN ADDRESS BY The Rt. Hon. John G. Diefenbaker, P.C., Q.C., M.P.

CHAIRMAN The President, Graham M. Gore

MR. GORE:

It is difficult not to feel redundant when confronted, as I am today, with the formidable task of introducing a man who has become a legend in his own lifetime – a man who has served this country as Leader of the Progressive Conservative Party, as Prime Minister, and as Leader of Her Majesty's Loyal Opposition, and who is still busy in public life as the Member of Parliament for his home constituency of Prince Albert, Saskatchewan.

I refer, of course, to that great Canadian, The Right Honourable John G. Diefenbaker, whose remarkable career already occupies a special place in the annals of Canada and who honours us with his presence on this occasion.

In the world of the drama, they speak about a mysterious element called "presence" – a magnetic aura that surrounds certain personalities and causes them to be the centre of attention whenever and wherever they appear on the scene. Mr. Diefenbaker has "presence" – he has it in abundance, as he has demonstrated time and time again. He also has the gift of oratory, the passion of conviction, and a comprehensive knowledge of this country's history.

In the time at my disposal I cannot begin to give an extensive biography of our speaker or to list all the honours conferred upon him. Suffice to say that he was born on September 8th, 1895, in Grey County in Ontario, and raised in Saskatchewan. After obtaining arts and law degrees from the University of Saskatchewan, and serving his country as a soldier overseas in World War I, he was called to the Bar of Saskatchewan in 1919. Later he became a Member of the Bar in Alberta, in British Columbia, and in Ontario, and was made a King's Counsel in 1929.

After a brilliant career in the courtrooms of this country Mr. Diefenbaker turned to politics. In 1940 he was elected to the House of Commons and there his energy, his courage, and his ability to search out the truth, combined with his skills as a speaker and debater, make him one of our great parliamentarians.

In December 1956 Mr. Diefenbaker was chosen to head the Progressive Conservative Party and was Leader of the Opposition until April 1957. Under his dynamic leadership, the Progressive Conservatives scored a great victory in the federal election of June 10, 1957 and Mr. Diefenbaker was called upon to be Prime Minister. His government was re-elected in 1958 and again in 1962. In the election of 1963, the Progressive Conservative Party failed to gain a majority and Mr. Diefenbaker assumed the office of Leader of the Opposition, from which position he resigned on September 25, 1967.

His years as Prime Minister were years of solid achievement – to name only two great pieces of legislation: the first Canadian Bill of Rights and the setting up of the Federal-Provincial Technical and Vocational Training Agreement. This Agreement has been a great benefit to the young people in the city. We can point to many new secondary schools which cost millions of dollars but were built at no direct cost to the Toronto taxpayer: and most important, those schools provide services and programmes for people who in previous times would have been failures and dropouts from schools. It is not possible to estimate the benefit to society of the future which these educational developments will provide in the field of personal worth and social and economic value.

To list all of Mr. Diefenbaker's honours and degrees would be to make a catalogue of the honours a man can aspire to in this country. Among many things he is a Privy Counsellor, a Fellow of the Royal Society of Canada, an Honorary Life Member of the Canadian Bar Association, and an Honorary Freeman of the City of London, England. He holds honorary degrees from numerous universities in Canada and abroad and is an Honorary Chief of the Cree and Sioux Indians.

In this era of incrasing change we hear much about the breaking down of old traditions and institutions. We hear about the damage the Puritan tradition has done to our society and our citizens. We hear perhaps less about certain elements of that tradition – those virtues of courage, honesty, and determination that lend permanence and vitality to a society – those virtues which are part and parcel of the person of John G. Diefenbaker. Mr. Diefenbaker has chosen to speak to us today about the future of Canada, and it is my privilege to bring him before you at this time.

Gentlemen – may I present a dominant political figure of our time, a man of Parliament, a brilliant lawyer, a man who represents the best in the Puritan tradition, and most of all, a dedicated Canadian – The Right Honourable John G. Diefenbaker.

MR. DIEFENBAKER:

I intend to speak of the institutions which we inherited or received from Great Britain, and which are being challenged: the Crown, the Constitution and the Courts.

We live in an age of political, intellectual and religious doubt, with our institutions being exposed to challenge. We live in a world of insecurity, fear and doubt. People are asking for novelty and newness based on experiment and not experience. There are those who would sweep away everything that is traditional and that has made this country great. Some believe in change for the sake of change. I believe that we should lop away the withered branch of the national tree, but not destroy the trunk. I believe "it is not necessary to change, unless it is necessary to change". Honesty and frankness and moral courage demand that one speak out words of warning before it is too late. I have always taken the stand from earliest days that:

> Recognition of the two cultures of the parent races was, and must remain at the very basis of Confederation.

I have tried to be fair in my approach to the problem, and at the same time to be frank. I speak as one who has always contended that the rights of minorities should be preserved and protected from injustice. I have given a lifetime, as my abilities have permitted, to strengthening the unity of this nation, and to bring an end to the discrimination too often obvious against those whose name or ancestry is other than that of the two basic races.

I hope you will excuse some personal references which I mention as indicative of my general philosophy. I stood for the public school rights of the French language in Saskatchewan when it was unpopular. The Law Reports show that in 1922 I took an appeal against a conviction of French Trustees who were unlawfully charged with permitting French to be used in a public school beyond what was deemed to be existent under the law. It was unpopular to take that stand, but I took it because it was right.

When I occupied the Prime Ministership in this nation, I did my part to bring about fairness and justice to French Canada, although at all times of the opinion that one of the major sources of discontent in French Canada is and has been economic.

I became a Member in 1940, and until 1957 when members spoke in French many members took a walk. After I took office the House of Commons was made bilingual by the installation of simultaneous translation.

It was my recommendation that made the first French Canadian Governor General.

I supported strongly that a large share of the positions in the higher echelons of the Civil Service and in External Affairs should be made available to French Canada, and they were. Bilingual cheques, which had been asked for over the years, were provided for.

Three years ago the Fulton-Favreau formula came before a Dominion-Provincial Conference and was accepted. Every Provincial Premier accepted it. I stood against it. The provinces rushed pell-mell into resolutions and addresses accepting the principles it contained to amend the Constitution. The Legislature of Ontario passed a resolution approving an Address of the Senate and the House of Commons that had never been before Parliament. The Legislative Assembly of the Province of Quebec was in favour of the formula; the Legislative Council was known to be against it. An endeavour was made by the Lesage Government to bypass Parliament by requesting an amendment to abolish the Legislative Council, or at least to curtail its powers. It was a backdoor method of amendment of the Constitution; it did not succeed, and finally there came a realization that if the formula had been accepted the Constitution would be embalmed for all generations, and there would be no possibility of any amendment. It would have been so easy for me to take the other stand and to support it and to be free thereby from attacks.

I have travelled widely in Quebec. I like its people, their spirit and hospitality. I do not believe that the spirit of separatism is general, and in my view only a very small percentage of the population of Quebec have any serious addiction to separatism. Canadians know where the separatists stand. I regard as almost equally perilous to national unity, those who while condemning separatism, use separatism as a smoke screen behind which they endeavour to advance their desire to secure more and more demands. I feel that with the passing days more and more French Canadians realize that separation will mean economic disaster to the people of Quebec.

The recent Conferences at Toronto and Ottawa were forward steps, although not very much tangibly was achieved. The Ontario Conference made the provinces aware that the time was ripe for the representatives of the provinces to deal with national affairs and national interest, and having made changes in Ontario increased the hopes of French-speaking Canadians to achieve the language and culture in other parts of the country.

What did the Federal-Provincial Conference in February attain? It finalized little and did not confront the question of an overhaul of the Constitution, but it did arrive at certain conclusions.

1. A consensus was arrived at as to the rights of the French language in schools across the country.
2. Continuing constitutional conferences with its membership consisting of the Prime Minister and the premiers of the provinces were set up.
3. Special committees to study a Charter of Human Rights, redistribution of powers, procedures to amend the Constitution, and measures to reform the Senate and the Supreme Court of Canada.

What are some of the diversive principles that are being advocated?

1. The first is the principle of "Two Nations". I do not criticize the right of those to hold the view that Canada is two nations. Such a concept was never in the mind of Cartier, Langevin, Doherty,

Laurier, Lapointe, or St. Laurent. Canada was two nations before the Act of Union in 1841. It was because this concept had failed that the Fathers of Confederation determined Canada should be one Nation. The "Two Nations" concept, if accepted, would mean that six million Canadians of racial origins other than the parent races would be second-class citizens.

2. There are those who want to abolish the Monarchy. A recent example of the attitude of some people was revealed when one of Canada's leaders, when asked why he had not voted on a motion to abolish the Queen in a recent political meeting in Montreal, stated: "I did not think, while it was important enough, I was not going to do anything to oppose the trend. I place it (the monarchy) below skiing and snow-shoeing." It has been said that I am sitting in my last Parliament. Be that as it may, I shall stand against the abolition of the Crown and against the establishment of a republic so long as I live.

   I have contended for twenty years that the Canadian Constitution should be made in Canada. As Prime Minister I tried to bring it about that the Constitution be patriated, and almost succeeded. Changes require to be made in that portion of the Constitution which is embodied in the British North America Act, but such changes should not diminish or emasculate the authority of the Federal Parliament or Government.

   I do not believe the provinces should have the right to enter into treaty arrangements with foreign nations.

Some of my views on other questions of constitutional amendment may be summed up thus:

(a) I do not accept the conception that the provinces should have full control over social security. The Government of Quebec wishes to regain control of all social security programmes. The present Government of Canada avers that it must continue to be responsible for old age pensions and unemployment insurance, so as to ensure equality among all Canadians – a stand which I believe deserves support.

(b) I believe in a constitutional Bill of Rights, but not one which will make the rights of citizenship dependent on whether the province one lives in has opted in or opted out.

(c) I am opposed to the alteration, on a racial basis, in the composition of the Supreme Court of Canada. I see no justification to tinker with the jurisdiction or method of appointment of the Supreme Court of Canada, or to limit its jurisdiction to other than constitutional matters. Nor do I accept the idea that a Constitutional Court should be set up to determine matters of disagreement. The Supreme Court of Canada has never been subject to any suggestion that its judgments have been decided on other than strictly judicial grounds. In my opinion the Supreme Court has earned and deserves the high prestige in which it is held. If changed in its composition as advocated in some quarters, the Supreme Court of Canada would be adopting the authority of the Supreme Court of the United States and become a law maker and "an arbitrator of social doctrine by judicial interpretation".

(d) I believe in reform of the Senate, but not to bring about a new basis of numerical membership on a racial basis or by partial nomination by the provinces.

(e) I do not accept the view that the provinces should have any authority in determining radio and television stations, or that members of the Canadian Broadcasting Corporation, or any members of the Board of Broadcast Governors, should be appointed by any province.

(f) I believe that for any province to have or exercise authority over international affairs woud result in Canada speaking in two voices. To do so would destroy the concept that the Federal Government speaks for all Canada. Nor should provincial governments be invited to participate in Canadian delegations, or international organizations. To do so would be to confer an international personality on the provinces – something never contemplated by the Fathers of Confederation.

Only legally binding agrements internationally can be made by the Federal Government, but I do not deny that the province deserves the courtesy of being consulted when its rights may be an issue. As an example, when the terms of the Columbia River Treaty were being discussed, British Columbia had representatives on the Federal-Provincial negotiating team.

To summarize:

If I know the feelings, trends, aspirations, and sentiments of the Canadian people,

1. They will not permit the Monarchy to be swept aside and a republic substituted.
2. They will not give their support to constitutional changes that will split Canada into two separate states.
3. They will not permit the weakening of the national government or the erosion of its powers over defence, trade, communications and banking to be turned over to the provinces.
4. They will not bestow a special status to any one province that is denied to others.

Canadian leaders must face the great issues of Confederation with compassion, with understanding, wisdom, and with firmness and courage. They must be neither hawks nor doves nor chickens. Each of us in his day and generation must endeavour to leave footsteps on the sands of history, but such footsteps are only left by men of courage. There is no record of pussy-foot steps ever leaving any significant mark on history. Only if we in our generation act in a spirit of conciliation without appeasement, will Canadians of the future be able to look back with gratitude on what we have done to make Canada ever greater in its mandate for freedom.

We must try to bring about constitutional agreement by each one speaking with frankness, candor, and forthrightness which will merit the definition of truth that was given by Sir William Osler:

> "The truth is the best that you can get with your best endeavour – the best that best men accept."

The Canadian people need to have the facts so that with knowledge and wisdom the decisions regarding Canada's future will be made for the benefit not of the few, but for all Canadians. Canada's high destiny can only be achieved when these problems are met in a spirit of sacrifice for the national good, rather than by fruitless compromise.

History records that the road to international disunity is strewn with skeletons of appeasement.

Canada will never achieve its destiny if the determination of its constitutional policies is made as a result of political vacillation masquerading as statesmanship.

Mr. Diefenbaker received a standing ovation.

Thanks of the meeting were expressed by R. H. Hilborn.

APRIL 4, 1968

Canadian-American Relations

AN ADDRESS BY Knowlton Nash
CBC WASHINGTON CORRESPONDENT

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

We are pleased to have as our speaker today a journalist and broadcaster known to people in all parts of this country through his radio and television appearances. He is Mr. Knowlton Nash, Washington correspondent for CBC News.

Mr. Nash is a native of this city and studied journalism at the University of Toronto. He left newspaper work here to join British United Press in 1947 and was its bureau manager in Toronto, Halifax and Vancouver, with frequent assignments to Ottawa.

In 1951 he was named Director of Information for the International Federation of Agricultural Producers, which represents about 35 million farmers in more than 40 countries. With that organization he participated in various U.N. committee discussions and helped organize conferences in Europe and Africa of international trade and economics. About this time he began writing for Canadian newspapers, *Maclean's* magazine, *Financial Post*, the *Star Weekly* and other periodicals.

In 1954 he was appointed Washington correspondent for the *Financial Post* and began broadcasting from Washington for the CBC in 1954. News assignments since then have taken him throughout Canada, the United States, Europe, Africa, Latin America, the Middle East, and the Far East. Beginning in 1954 he concentrated on free-lance broadcasting much of it for CBC. He was appointed CBC Washington correspondent in 1961.

Mr. Nash has interviewed many world leaders during his career and has covered such world news events as the U.S. visits of Soviet premiers Khrushchov and Kosygin, the Cuban and Middle-East crises, the Gemini space shot, Commonwealth Prime Ministers' Conferences, and the Vietnam war. He is also an experienced reporter of federal elections in the United States and Canada.

The recent statement of President Johnson regarding the U.S. elections and other political developments on both sides of the border are giving him a busy schedule – many of you probably saw the outstanding TV Special Mr. Nash put together Monday night, only 24 hours after Mr. Johnson's announcement – and we appreciate his taking the time to be with us today.

Gentlemen – Mr. Knowlton Nash.

MR. NASH:

I must confess, it's a bit difficult for me to know where to begin. . . . I've put together some notes several times in recent days, but each time they had to be thrown away because of some new crisis or other suddenly emerging.

Normally, the most impressive journalistic viewpoint of world developments or Canada-U.S. developments is a lugubrious one, filled with forebodings and forewarnings. But certainly looking upon what's happened in just the past few days, it's hard not to be hopeful, if not downright optimistic.

Certainly the Viet Nam peace moves constitute the brightest world happening in years. Although it's just the beginning of a beginning, for the first time almost all attention is on how to stop or scale down the fighting, rather than escalating it.

There is optimism, too, on the world scene in the agreement on international monetary reform reached by the major industrial countries in Stockholm a few days ago. This gives the United States, United Kingdom . . . and Canada, too . . . breathing space . . . time to implement some necessary domestic reforms to save the dollar and pound from devaluation.

And then, too, there are grounds for hope and fresh approaches in Canada and the United States in the political area. Both Ottawa and Washington will have new leaders and in any new beginning there are opportunities not availto old leaders who are sometimes entrenched and entrapped by old policies.

But even with our own Liberal Convention about to choose a new leader and Prime Minister . . . with President Johnson's decision not to run again . . . and even with the gold crisis moderating . . . still the most important happening today is – Viet Nam.

President Johnson is flying tonight to Honolulu, as you know, to prepare for peace talks with the North Vietnamese. These talks could start within a week or so, and they likely will be strictly bilateral – Hanoi-Washington – conversations to begin with and probably relating only to possible mutual moves of de-escalation. One distinct possibility might be for the United States to agree to stopping all the bombing of North Vietnam, provided the North Vietnamese pulled out all their troops from the demilitarized zone.

If there were agreement on that, or something similar, then they could go forward to a general peace conference, perhaps along the lines of the Geneva Peace Conference of 1954.

The danger, of course, is to avoid these Viet Nam talks becoming another Panmunjon where it took two years of talking to end the Korean War while some of the war's bloodiest fighting took place. This is something Washington is determined to prevent.

Equally, of course, Washington is determined to avoid being entrapped in a diplomatic double-cross by Hanoi using the peace euphoria created by talks to mask another TET offensive or all-out assault on Khe Sahn similar to the successful attack on Dienbienphu just as the 1954 Geneva talks got going.

But even with all the dangers and pitfalls of the peace talks, it nevertheless is almost breathtakingly hopeful to see what's happening to try to end the fighting.

I returned from Viet Nam a short time ago, having travelled in the Delta, in the Central Highlands and up around the area of the Demilitarized Zone, as well as in Saigon. And it's one thing to view the war from your morning newspaper, the board room or even before a television set, but it's quite another and staggering experience to be there, both in terms of the ugliness of the war itself and the arid legalism and semantic pretensiousness which until a few days ago seemed to be passing for statesmanship in both Washington and Hanoi.

Much of the information passed out on both sides simply has not been true . . . or to paraphrase Winston Churchill, there have been many terminological inexactitudes. Some of the things which have been said have been simply preposterous nonsense.

For instance, the so-called "body count" of Viet Nam dead. I've been with American troops up in the Central Highlands where they did make an actual body count, going out onto the field . . . and with the South Vienamese Army – the ARVN – when they were counting enemy bodies after an artillery and mortar assault. It's a rather grisly business because there are parts of bodies everywhere. . . . The troops I was with counted one body for every two legs and one arm they found.

But for the most part, the so-called "body count" is not really a count at all. In some cases, it's a rough estimate taken by a spotter in a low-flying plane skipping over the battle area . . . in other instances, it's a commander's estimate of the number of dead out beyond his compound but he's not going out to check because it's too dangerous.

And certainly the estimates provided by the South Vietnamese military are far more extravagant than those of the American forces, as, for instance, the ridiculous claims of enemy dead in the recent TET offensive. I did not meet anybody in the field in Viet Nam who really believed the body count figures. . . . Perhaps if you reduce them by a third or a half you might come close.

The exaggerated claims and exotic battle optimism of many American and South Vietnamese officials are so often put forward as fact that many people come to believe them through repetition . . . and this is highly dangerous insofar as formulating new policies is concerned. To obtain a relatively accurate picture on which to base policies, you have to take off the rose-tinted spectacles of self-deception and look at what really *is* rather than at what you would *like* to think is.

Anyone doing this, of course, is open to denunciation from all sides. I know I've been accused sometimes of being too pro-American . . . sometimes anti-American. Perhaps the best combination of criticism I've ever had was a letter from a gentleman in Prince Rupert who once accused me of being a communistically inclined fascist.

Certainly President Johnson is now under some intense, although mostly private, attack for his peace overtures toward Hanoi. The bombing pause that he has initiated over much of North Viet Nam was specifically rejected some months ago by the Joint Chiefs of Staff, and he is under heavy criticism from many of his military advisers. But perhaps by lifting himself out of the swirling political controversies in the United States he obtained a broader and more self-less view leading him to really start down the road which may lead to peace.

There has been much justification for the American presence in Viet Nam on the grounds that it is to preserve democracy in South Viet Nam or to live up to pledges given to past and present government leaders. This is, I think, a rather fragile rationalization. There would be a more valid justification in saying the U.S. presence is necessary as an element in restraining Chinese aggressiveness and influence. There is, I would think, no question that if the Americans suddenly pulled out of Viet Nam today, the Viet Cong would take over very quickly and most countries in the region – Burma, Thailand, Laos, Cambodia and others – would begin to rejigger their foreign policies and start to make accommodations with the Chinese. *If* the United States desires to maintain its influence in the region, it has to *there* and it must, in that kind of a posture, *stay* in and around Vietnam in some way or another – but not necessarily in quite the vigorous military role it now exhibits.

The Americans certainly are making heroic efforts to bring some form of democracy to South Vietnam. It's astonishing, for instance, to see rough, tough American Marines up in the hamlets near the demilitarized zone working as dedicated social workers. But they are . . . as are thousands of other Americans throughout the country. And in Saigon, the American Ambassador and his staff spend much of their time persuading, cajoling and sometimes bludgeoning the Saigon Government into building more schools, revising the taxation system, building houses, roads and irrigation systems, implementing land reform and improving education. But there is a long way to go. Corruption is rampant in Saigon as racketeers and black marketeers raucously chase the American dollar. Except for the recent period when the war really came to Saigon, normally the bars on downtown Tu Do street run wide open with six or seven dollars for a drink in some places and equally high-priced Bar Girls. There's a saying in Saigon that "You can't buy love, but you can rent it for a while at any bar in town." And this, inevitably, leads to widespread venereal disease, known to many of the soldiers as "Ho Chi-Minh's Revenge."

If the road to peace gets detoured back into escalating war, I must say that I do believe the United States could win it, at least in a military sense. Indeed, I believe the United States could even broadly pacify the country, although never making it fully secure.

But it would take, I think, 15 years or more to achieve anything like a viable and relatively democratic society in South Viet Nam – such as say, South Korea is today.

But the real question – and one that concerns Canadians as well as Americans – is whether the United States can afford the cost involved in staying in Viet Nam either in its present posture or even in a more modest one. Right now, it's costing upwards of $30 billion a year for the Americans in Viet Nam and this, as I've mentioned, is, among other things, having a critical impact on the U.S. balance of payments which, in turn, reverberates on our own Canadian economy.

It's interesting to note on this question of the war cost that in the days of Julius Caesar, it used to cost 75 cents to kill an enemy soldier. In World War Two, the cost rose to $50,000 for every enemy dead. In Viet Nam, I was told the cost now is running about one million dollars for each Viet Cong or North Vietnamese killed.

But not only is it costing American money, but of course American lives as well. Ten thousand Americans were killed last year and likely at least that many will be killed this year in Viet Nam . . . to say nothing of the hundreds of thousands of North and South Vietnamese who have been killed.

This a basic reason why Viet Nam is going to loom as a major issue in the American election campaign.

Or, at least it was looming large in the American political scene until President Johnson withdrew from the race.

Already his action has diminished if not defused Viet Nam as a political issue. This was a major aim in his decision to reject renomination as the Democratic Party's Presidential choice.

Because of the very real credibility gap that exists in Washington, there is an almost automatic tendency to doubt whether or not President Johnson really means it. I think he does. He's a man of so many contradictions, so much emotionalism and above all is the complete politician. But he is capable of the most selfless acts – even if they are unexpected. I recall the incredulity that swept the Los Angeles Democratic Presidential Nominating Convention in 1960 when he accepted John Kennedy's invitation to be the Vice-Presidential candidate. He did it against the advice of his wife, his mentor, Sam Rayburn and almost every one of his advisers. He was then Senate Majority Leader – second most powerful man in the United States, and yet he gave it up for a Vice-Presidential nomination – normally a one-way ticket to political oblivion. But he did it because he deeply felt it was right for the party, right for his country and it was the only way in which Kennedy could be elected President because of the strength in the South, and especially Texas, that Johnson would add to the ticket. And now, again, that unexpected, streak of nobility has come forth with his withdrawal from the Presidential race of 1968. He has said he will not spend one hour on U.S. politics this year which is hardly credible, but still, I do believe his action is no coy political ploy.

There are fascinating similarities between what's going on in Ottawa these days with what's happening on the American political scene. Will North America swing with Trudeau in Ottawa and Kennedy in Washington? . . . or will it steady itself with Martin or Hellyer or Winters in Ottawa and Nixon or Rockefeller or McCarthy in Washington?

We'll know one half of that equation by the weekend, but the other half won't be known until next November.

At the moment, Senator Robert Kennedy is clearly the front runner – an incredible shift from the long-shot a few days ago to the favourite today. The U.S. political scene is nothing short of chaotic . . . and there are reports today that Vice-President Hubert Humphrey may declare his candidacy . . . and so, too, may New York Governor Nelson Rockefeller.

Perhaps a key as to who will win the Democratic Party's nomination lies in the choice of Chicago Mayor Richard Daley – the last of the old style, big city political power bosses who is revered for his political effectiveness. More than anyone, he was responsible for John Kennedy getting the nomination eight years ago, and history could repeat itself.

Next fall we might see the ironic spectacle of our American neighbours making a choice for the Presidency between Nixon and Kennedy.

It's no wonder that there is the saying among public men that after love, politics is the most exhilarating sport of all.

Four years ago, the Republicans could not have defeated Lyndon Johnson and won the Presidency, even if they had run all 12 Apostles. This time, however, the election is a toss-up.

But because it's going to be close, there is one element to consider when looking at this quadrennial abberration that our American neighbours go through – that is the third-party candidacy of Alabama's George Wallace. Many Canadians tend to look upon Wallace as a racist joke. But believe me, he is no joke. He could have a vital and even decisive role in choosing the next President of the United States. He will not win, of course, but he could win enough Southern States to be the man who says who *will* be President. If the race were so close that neither the Republican nor the Democratic candidate had a majority in the Electoral College, Wallace could – and certainly would – try to auction off his votes to the highest bidder. The man who paid the highest price, would then be President. No one knows what that price might be, but it certainly would centre on civil rights. And if something like this did not work out, the choice of the President, in the event nobody had a majority in the Electoral College, would then be made by the House of Representatives – and that would come close to making a mockery of American Democracy with all the backscratching wheeling and dealing and legislative pay-offs that would be involved.

Who the President is, is vitally important to Canada because it's his Administration that sets politics in both international and bilateral relationships. It is the Administration, for instance, that decides whether or not Canada is exempted from the interest equalization tax . . . from oil import quotas, or other trade restrictions. And it is the Administration which sets much of the policy on balance of payments restrictions which affect Canada.

Generally speaking, we have had at least a moderate amount of success in recent years in persuading various Republican and Democratic Administrations to give Canada special treatment.

But it is with the Congress where we have had so little effect and so often get frightened. That's why it is important for Canada to know the kind of Congressmen that are being elected. For instance, the present Congress – elected in 1966 – is much more protectionist and inward-looking than recent Congresses. You can see that in the flood of protectionist legislation that has poured into the Congressional hoppers. Right now, there are bills to restrict Canadian shipments to the United States of about one billion dollars worth of goods – from oil and natural gas to dairy products and mink furs . . . from steel products to lead and zinc. In addition there are scores of Congressional bills proposing general restrictions on imports – quotas or special taxes. Indeed, given the Administration suggestions for a two or three or more per cent tax on all imports and a similar rebate on exports, the Congress almost certainly will approve this. . . . But it will only whet the appetite of the protectionists who will demand more and more on individual commodities.

And the Congress which will be elected next November will be even more inward-looking on trade matters. This is not just an aberration of the Congress . . . it is also the mood of the people of the United States. Partly Viet Nam has contributed to it . . . partly General DeGaulle, and there is a feeling that the U.S. Government has been far too generous in its trade dealings in the past and now is the time to pull back.

It is instructive to note that the other day while appearing before the House Ways and Means Committee, Treasury Secretary Henry Fowler was pleading for a tax increase and liberal trade policy. Recognizing the current uneasiness of the electorate at these ideas, Fowler quoted Edmund Burke who said: "I would rather displease my constituents than harm them."

Immediately, the politically wise and powerful Committee Chairman, Wilbur Mills, dryly noted, "My recollection, Mr. Secretary, is that Burke was defeated in the next election."

So from now on . . . for the remainder of this Congress and the new one elected next November . . . you can expect a strong protectionist sentiment. And whoever is elected as President next November, given the attitude of the country and this reflected and intensified in the Congress, you can expect that the next President will not find any fertile ground for major trade liberalization. There won't be any more Kennedy Rounds for some time to come.

I mentioned a few minutes ago that Canada has been successful in dealing with the Administration in Washington in achieving a degree of special relationship between our two economies. It's useful, I think, to list some of these areas where we Canadians do get special treatment from the United States. There is the exemption we have for new issues under the Interest Equalization Tax. This exemption, alone, enabled us to borrow about one billion 200 million dollars in the United States last year.

Even in the new Johnson balance of payments crackdown – which certainly affects us – Canada was given special treatment. A special statement was issued by Washington for U.S. corporations with subsidiaries in Canada saying Washington expected those subsidiaries to behave like good corporate citizens of Canada.

We have an exemption from the U.S. oil import quota programme; we are exempted from the proposed tax on foreign travel; we are exempted from the lowering of the American duty-free limit from $100 to $10; we have the Canada-U.S. automobile agreement which certainly has brought and is bringing Canada enormous benefits; we also have virtual free trade in farm machinery; there is the Canada-U.S. production-sharing programme which enables Canadian defence firms to bid on American defence contracts almost on the same basis as any American firm, and which is bringing us more than $300 million a year in U.S. military orders; and we have the increasing acceptance by the Federal Power Commission in Washington of the "continental" approach on gas supplies – which also is bringing us scores of millions of dollars a year.

Any of these special relationships could be ended by Washington if it so wished . . . and this, in addition to U.S. ownership of Canadian industry, makes us highly vulnerable to U.S. Government policies as set by the Congress and the man in the White House.

To achieve these tangible benefits, there is no question we have had to give up at least a portion of our national sovereignty. But in so doing, we must remember that we have been able to provide thousands of more jobs . . .

and a much higher standard of living than we would otherwise have.

In a way, I suppose, in our economic relations with the United States we Canadians act as a kind of mixture of fools and angels – we rush in and fear to tread at the same time.

How we achieve some of these special arrangements is interesting and demonstrative of the political aspects of the situation. While officials in Washington and Ottawa spent months putting together the Canada-U.S. auto agreement – under which our car exports to the United States have increased to where they earn us one billion dollars year – it was basically politics which brought it into being.

In the late summer of 1964, Prime Minister Pearson invited President Johnson to go out to British Columbia to mark the Columbia River Treaty between the two countries, negotiated after lengthy and sometimes painful argument. Since this was just at the start of the American Presidential election campaign that year, President Johnson felt it would do him good to be the statesman in action and he not only went along but took Mr. Pearson with him on some of what were labelled non-political meetings in the Pacific Northwest. After the election . . . in January 1965, in fact, Mr. Johnson was chatting in his office with Washington Senator Warren Magnuson, chairman of the Senate Commerce Committee about various things and then he asked Magnuson whether or not he should personally sign and push through the auto trade agreement with Canada. He was doubtful that he should because he knew it would engender some protectionist opposition and he didn't want to get caught in a crossfire. But Senator Magnuson reminded him that Mr. Pearson had helped him out politically by inviting him to the West Coast and producing much favourable publicity at the start of the past campaign. The President slapped his forehead – said, "That's right, by God" – and decided then and there to sign and personally push through the agreement. If he had not, it might very well have not been approved by the Congress.

That's an example of how politics can and does play such a vital role in the relationships between our two countries.

Incidentally, though, I might mention that despite a great deal of academic discussion about the possibility of extending the limited free trade principles enunciated in the automobile agreement between Canada and the United States, that is just not going to happen in the near future. The reason is the more inward-looking attitude that now prevails in this Congress and is almost certainly going to prevail in the next Congress.

All of this runs afoul of the hopes and dreams of earlier years. There was a time when senior authorities both in Ottawa and Washington thought in much grander terms for liberalized trade, both between our two countries and among the industrial countries as a whole. In the Kennedy days there was talk of some kind of grand economic alliance embracing all industrial nations in a single trading unit. . . . The former Under-Secretary of State George Ball also once spoke of what he called the "ultimate logic" of a single Canada-U.S. market.

Political realities, however – in the United States and in Canada – have frustrated these thoughts for some time to come.

One factor in this frustration is, of course, the balance of payments in the United States. As you are all aware, the United States has taken and is proposing to take some critical measures to sharply reduce its deficit. Basically, the big problem the Americans have is that their trade surplus is shrinking, while their other spending overseas is increasing – Viet Nam . . . foreign aid . . . NATO . . . and so on.

But eventually perhaps it's inevitable that the Canadian and the U.S. economies will be drawn closer together. In a way, to charge as some more nationalistic Canadians do, that we are being driven against our will into the arms of the Americans is like saying you would have to bribe Don Juan to have a date with Venus.

With President Johnson out of the Presidential race, there now arises the question of whether or not a lame-duck President can fight off the protectionists.

Normally in an election year, protectionism flowers, but the President is able to fight it off because of the power he holds. This year, as I've mentioned, there is more protectionism and high-tariff sentiment in the Congress than at any time since the early 1930s. But now, much of the effectiveness of Presidential trade persuasion has evaporated with the Johnson decision that he will not seek nomination.

His ability to dissuade the protectionists has been impaired, but so too, has his effectiveness in eliciting from the Congress necessary balance of payments reforms . . . tax increases . . . spending cuts and even his ability to sell the Congress on revising the American selling price on chemicals . . . a vital part of the Kennedy Round outcome. There could well be dangerous repercussions in the Common Market countries if this ASP were rejected by the Congress and it could lead to a rapidly escalating trade war.

With trade problems . . . with Viet Nam . . . with race riots . . . with the money crisis . . . God knows why anybody wants to be President of the United States. But there certainly is no shortage of candidates. And who that next President is, is vitally important to Canada not only as it relates to peace in Viet Nam, but as it relates to our wallets.

On balance, given the mood of the United States and its more inward-looking attitude, I would think we Canadians must be prepared to hold what we have achieved in our special economic relationship with the United States and not plan for any big immediate break-throughs on the so-called "continental approach" to our economies. There may be a few yards made on closer inter-relationships for oil and natural gas and possibly hydro power, but that may be about all. If we *do* hold what we now have, however, it could provide the basis for a future significant expansion of the "continental approach" as best dramatized in the automobile agreement, when the atmosphere changes, as I believe it will in the years ahead.

I do not believe that in Viet Nam or even in our own Canada-U.S. economic relationships that events are in the saddle riding man. I think we can and must control our future . . . or at least steer it in the right direction. It's been said that God invented man because he was disappointed in the monkey. I hope we don't disappoint him again.

Thank you.

Thanks of the meeting were expressed
F. Gerald Brander.

APRIL 18, 1968

The State and the Individual

AN ADDRESS BY

The Hon. James C. McRuer
FORMER CHIEF JUSTICE OF
THE HIGH COURT

CHAIRMAN

1st Vice-President,
Edward B. Jolliffe, Q.C.

MR. JOLLIFFE:

Our guest has had a career – and indeed he is still vigorously engaged in a career – of such notable service to his country and particularly to the people of Ontario, that it is almost impossible to do justice (if I may use the word) to him or to his qualifications to speak to us today on the subject of the "State and the Individual".

As a member of the Bar he had a highly diversified experience in all our Courts and as far away as the Judicial Committee of the Privy Council – which was our Court of last resort; he also played a key role in inquiries of great public interest and importance; for example, as a member of the Archambeault Commission on Penal Reform, which made a historic report more than 30 years ago.

In 1944 he was appointed to the Court of Appeal and the following year became Chief Justice of the High Court, the trial division of the Supreme Court of Ontario, an office which carries great administrative as well as judicial responsibility, in which he continued with distinction for

18 years. There must have been few judges in our history who commanded as much respect from the bench, the bar and members of the public who appeared before him, because he was so manifestly careful, thorough and devoted to duty in everything he said and did, yet he found time to write a well-known book analysing the trial of Jesus, testing it by the standards of Hebrew and Roman law as well as by his own high standards of objectivity.

He has a zeal for research and scholarship as well as a deep interest in the human condition and that concept of liberty which is perhaps the saving grace of our civilization. These are only a few of the reasons no better man could have been found by the Government of Ontario to inquire into civil liberties in this province.

This great undertaking, began four years ago, has been carried through with characteristic skill and industry. The Commissioner not only conducted hearings throughout Ontario and listened to many organizations and persons. He and his assistants made their own studies in depth of institutions both here and abroad, especially in the Commonwealth and Scandinavia.

By a happy coincidence, our request that he speak to this Club was made only a few hours before the publication of his Report Number 1. It is a state paper of far-reaching importance. In three volumes, 1,331 pages and 559 recommendations it touches on fundamental questions affecting the rights and obligations of every individual in Ontario, those who are here now and those yet unborn. Its range and scope are so vast and so complex that I dare not specify any one topic, but I can assure you it will be remembered and studied long after our time.

It is our privilege to hear today from the author of the Report, the Hon. James C. McRuer.

MR. MCRUER:

It is not my intention to give you a book review of the Report of the Royal Commission published last month. That task, I will leave to others. What I wish to do, however, is to discuss for a short time, the philosophy underlying that Report.

Edward H. Brooks in his lectures at Queen's University published under the title *Freedom, Faith, and the Twenty-First Century* made this penetrating statement:

> ". . . it is a shattering thought that so much of the world which is moving toward the twenty-first century has no coherent philosophy of the state and yet is willing to entrust so much power to it."

We start with this fundamental principle. Government is the exercise of power over the governed. Apart from being a means of protection against the invader, the whole purpose of the democratic state is to regulate and promote the mutual – and I emphasize mutual – rights, freedoms and liberties of the individuals under its control. But individual rights, liberties and freedoms without mutual obligations is an anarchic concept. In a truly civilized society, the ultimate object of the exercise of state power is to promote justice in social and economic relations among its component parts. Webster expressed this concept in eloquent language:

> "Justice is the greatest interest of man on earth. It is the ligament which holds civilized beings and civilized nations together wherever her temple stands, and so long as it is duly honored there is a foundation for social security, general happiness, and the improvement and progress of our race. And whoever labors on this edifice with usefulness and distinction, whoever clears its foundations, strengthens its pillars, adorns its entablatures, or contributes to raise its august dome still higher in the skies, connects himself, in name and fame and character, with that which is and must be as durable as the fame of human society."
>
> (*Justice and Jurisprudence*,
> J. B. Lippincott Company, 1889, p. 63.)

State power exercised within this concept of justice is something in the nature of a trust conferred on all those in positions of authority, to be exercised for the benefit of the individuals who make up the state and to promote their mutual welfare. If we are to have the ligaments and sinews of justice holding civilized society together there must be law.

The object of the Royal Commission, over which I have the honour to preside, is to strengthen the foundations and pillars of justice by drawing blueprints for improvement of the laws of Ontario as they express the power of the state in its relation to the individual. Laws are not weapons but shields serving to protect and regulate the respective rights, freedoms and liberties of the individuals from whom the authority and power of the state is derived.

It is part of the English Constitution founded in long tradition and established by judicial decision that no man can be punished or deprived of his property except by the established processes of law. Every man, no matter what his rank may be, is subject to the ordinary law and subject to the jurisdiction of courts presided over by independent judges. But these concepts are not sufficient in themselves. They may be sufficient for a sort of definition of rules by law but they do not meet a modern definition of *the* rule of law. A man may be arbitrarily deprived of his freedom or of his property by processes authorized by law without any safeguards against the exercise of arbitrary power; likewise, a man may suffer grave injustice because the laws in themselves may be unjust or there may be no procedural rules by which they are to be administered or the administration of the laws may be in the hands of careless or inadequately qualified administrators or judges.

Two years ago, I was asked to address the Judicial Section of the American Bar Association on the subject "Current Decline in Respect for Law and Order – Is there a Remedy?" On that occasion, I ventured to challenge the thesis that the body politic of our nation is suffering from any debilitating disease of disrespect for just laws, properly administered or authority justly exercised. Law and authority are not synonymous. Laws that are not based on modern concepts of justice may have to be obeyed but they will not be respected. Authority that is not based on just laws may be obeyed rather than submit to sanctions but it will not be respected and it is not likely to be obeyed if a way of evasion can be found. Laws that invite disobedience are not only bad laws but promote disrespect for all laws. They infect and corrupt the whole machinery of law enforcement.

We have long departed from the Austinian theory that the science of jurisprudence is based on command. The command of the majority to control and direct a minority does not form a sound philosophy of good law. Ninety years ago, Pollock gave us another philosophy of law which may have been revolutionary in his time but it is manifestly sound today. He said:

> "We should hardly give the name of Law to a series of unrelated and inconsistent commands, enforced by arbitrary and uncertain methods, although their subject matter might be the same as that of the kind of laws we are used to. The capricious orders of a crazy despot may be laws according to Austin's definition until they are revoked; but if so, it is the worse for the definition."
>
> (*Essays in Jurisprudence and Ethics* [1882], p. 50.)

What Pollock said in 1882 of capricious orders of a crazy despot applies with equal force in 1968 to laws conferring wide and arbitrary discretionary powers on perfectly sane persons who may by their exercise, deprive individuals of basic rights without any right of appeal. They are laws, but not law. The enlightened mind of the citizen of today, demands something more. It demands law based on moral obligation and a concept of human rights.

Pollock, Professor Goodhart and Dean Pound, all have given us a rich and meaningful philosophy of law, a philosophy of law that will merit and develop respect for law. Pollock said: "Law is not law merely because it is enforced by the state." Professor Goodhart defined law as a rule of human conduct which is recognized as being obligatory, and stated:

> "It is essential to draw a clear distinction between obedience to an order or rule and recognition that the rule or order is obligatory, that is, that the order ought to be obeyed. . . . but obedience to an order merely because of the fear of sanctions is nothing more than reaction to naked force and we will seek to avoid obedience wherever possible."
>
> (*English Law and the Moral Law*, p. 19.)

Dean Pound said:

> "Law is the arch enemy of autocracy . . . laws may exist, indeed they do exist in abundance under absolute political regimes; but not law."
>
> (*Selection and Tenure of Judges.*)

It was Dean Pound's conception of law that would appear to be the philosophy underlying the terms of reference of the Civil Rights Commission. The terms of reference may be paraphrased in this way: to examine the laws of Ontario; to determine how the power of government is exercised; the extent to which there is unjustified encroachment on the civil rights of the governed; and to recommend safeguards that will protect the individual against unwarranted exercise of statutory powers.

In the process of democratic government, there are three, and only three, classes of powers exercised by government, legislative, judicial and executive. Ideally all legislative power should be exercised by members of the legislature or parliamnt; all judicial powers should be exercised by independent judges and all executive powers should be exercised by administrators who merely carry out the orders of the legislators or the judges. Legislative power, in theory, is power to decide policy – what the law should be – what policy should be followed in a certain given set of circumstances. Judicial power is the power to decide what policy has been expressed by the legislature and determine whether the given set of circumstances exist in fact and to apply the law as expressed by the legislature. If they do, the judicial power must be exercised and an order made which must be carried out by the executive. For example, in an ordinary case of murder, Parliament has defined murder, the judge instructs the jury on the law as Parliament has declared it to be; the jury makes the judicial decision whether the facts are such that the act amounts to murder as defined by the law. If they do, the verdict is guilty and the judge applies the law as determined by Parliament and gives the sentence. The judge makes a decision that the conditions precedent have been fulfilled to warrant the imposition of the sentence provided by law – life imprisonment. He makes the order and the sheriffs and wardens execute it.

But human relations in modern society are far too complex for the exercise of all legislative and judicial powers by legislators and judges. Legislators delegate their legislative power to subordinate bodies, judges legislate and judicial powers are conferred on others than judges. This is necessary in order to make the modern democratic system of government work.

The theory underlying democratic government is that when legislators make the law the rights of the individual will be safeguarded through public debate and public vote in the legislature. When the judges administer justice, the civil rights of the individual will be safeguarded by the independence and wisdom of the judges.

When subordinate bodies, such as Lieutenant Governor in Council or commissions or boards legislate the safeguards of the rights of the individual provided by public debate and public scrutiny are removed.

When a tribunal is set up to make judicial decisions the safeguards of the independence of the judiciary is likewise removed and often the tribunal tends to lose its judicial character and become an instrument for the interpretation of and the advancement of government policy.

In addition, in practice, there are no clear lines of demarcation between legislative, judicial and executive powers. Language is often an imperfect form of communication. When judges construe a statute they legislate. Sometimes their interpretation of a statute may be quite different from what the legislators meant to say but the legislators have power to reverse the decisions of the judges and to clarify their own language.

Ministers, boards, commissioners and inspectors exercise both judicial and legislative power and it is essential to modern government that they do so. It is this practical necessity that gave rise to the appointment of the Royal Commission as an Inquiry into Civil Rights. The terms of reference recognized that there may be laws and procedures that may be unjustified encroachments on the freedoms, rights and liberties of the individual and it was recognized that it is necessary to have rules safeguarding the basic rights, liberties and freedoms of individuals. Our task was two-fold, to recommend a pruning job on the laws and to recommend safeguards against the abuse of necessary power.

In certain cases, we found excessive and unnecessary powers conferred on bodies and individuals. In such cases, we recommend the pruning operation – the limitation or abolition of the powers. In other cases, we found that there were no adequate safeguards against the wrongful exercise of necessary powers. In such cases, we recommended rights of appeal and new procedures as additional safeguards or a simplification of the procedural safeguards that now exist.

One of the underlying philosophies of our Report is that government through its Ministers must assume responsibility for policy and the courts should have the ultimate supervision over the exercise of judicial powers.

Sometimes in the past, Ministers have sought to evade responsibility for policy decisions, by conferring these powers on tribunals and even on judges and rights of appeal to the courts have been created on policy matters, while on the other hand, boards and Ministers have been given power to make judicial decision with no right of appeal. In either case, the individual has been deprived of an elementary right. The democratic process of government demands that policy must be under the ultimate control of the elected representatives of the people and judicial powers must be under the ultimate control of the courts presided over by independent judges. It is for this reason that I am against giving judges wider legislative powers and I am against all private clauses in legislation.

But right of access to the courts as a safeguard against the arbitrary or wrongful exercise of power is not sufficient. An individual has a further right – a right of access to courts presided over by judges of integrity trained in the law and with a capacity to administer justice in the truest sense of that term.

The individual has an additional right, a right to a just, well-defined and simple procedure devoid of vexatious trappings, whether it be in the courts or in the administrative processes of government.

If the courts are to maintain their rightful place as an ultimate guardian of the rights of the individual they must provide simple and expeditious procedures devoid of technicalities and within the financial grasp of the humblest individual.

Whether it be in the courts or in the processes of government, it is by procedure that the authority of the law is made known as it touches the life of the individual. Professor Davis quoting three distinguished judges of the Supreme Court of the United States made clear a fundamental truth that is too often obscure to legislators, judges and administrators. The protection of the rights of the individual human being is not so much in the law but in the procedure by which it is administered.

> "The essence of justice is largely procedural. Time and again, thoughtful judges have emphasized this truth. Mr. Justice Douglas: 'It is not without significance that most of the provisions of the Bill of Rights are procedural. It is procedure that spells much of the differences between rule by law and rule my whim or caprice. Steadfast adherence to strict procedural safeguards is our main assurance that there will be equal justice under law.' Mr. Jackson: 'Procedural fairness and regularity are of the indispensable essence of liberty.' Mr. Justice Frankfurter: 'The history of liberty has largely been the history of procedural safeguards'."
>
> (*Administrative Law Treatise No. 220.*)

The acts of public men in their capacity as legislators, the procedure by which law is administered should be under the critical scrutiny of public opinion. Public opinion may be moulded by what the public sees or by suspicion and rumour when it does not see. The public may see and hear what goes on in the courts as the proceedings may be conveyed to it through the various media of communication: newspapers, the radio and the television. Often little is known of what goes on in the administrative processes of government and the proceedings before tribunals exercising statutory powers. These processes cannot and should not all be carried on in public, but they should follow a just procedure. Whether it be in the courts or before tribunals if the procedure is unjust or there are no procedural rules or there are procedural errors, the law and its administration, no matter how just and wise the law may be, will be held in contempt by those affected by its processes. Good procedure cannot be assured without good rules of procedure. Often vast powers are given to tribunals presided over by laymen with no rules of procedure laid down to be followed. The persons presiding over the tribunals have no means of knowing what procedure should be applied in the jurisdiction they exercise. In certain cases, persons whose rights may be affected are not even given a legal right to be heard and have no right of appeal to anybody.

To provide elementary safeguards for basic and fundamental rights of individuals, certain recommendations were made, which if implemented, it is hoped would provide what might be called a procedural Bill of Rights. These recommendations may be summarized as follows:

1. Ministerial responsibility for government policy and rights of appeal to Ministers in the exercise of administrative powers – that is policy decisions;
2. A Statutory Powers Procedure Act laying down certain minimum rules to be followed by all tribunals or bodies exercising administrative or judicial powers;
3. A Statutory Powers Rules Committee to make additional rules of procedure to be followed by individual tribunals;
4. A simplification of the process of review by the courts; and
5. Review by a committee of the legislature of the exercise of all subordinate or delegated legislative power.

The purpose of these recommendations is not to make the processes of government more cumbersome but to simplify its processes. Disciplinary rules will guide those who exercise the power of government. In addition, they will give to the individual his rightful place in the processes of government by extending his right to be heard when the exercise of the power of government encroaches on his fundamental rights and liberties. They will restrict the exercise of arbitrary power.

Some individual statutes contain some inadequate procedural rules and some individual tribunals have formulated their own rules of procedure but there is no statute broadly defining the basic procedure to be followed by statutory tribunals. The main guiding principles are those laid down by judicial decision buried in the Law Reports, difficult to find and apply, even by skilled lawyers.

Justice to those who are called upon to exercise the powers conferred on statutory tribunals and those who are affected by their decisions demands that the legislature lay down some simple minimal rules of procedure to be followed in all cases so that those exercising the power of decision may know what is required of them.

In addition to the administrative and judicial powers conferred on tribunals it has been a practice to confer wide legislative powers on the Lieutenant-Governor in Council, on commissions, boards and other bodies. This is necessary in modern government but often there is no right of review of subordinate legislation even by the Lieutenant-Governor in Council. When such powers are exercised, laws are often made which when breached render individuals liable to prosecution and even imprisonment without anyone except those involved in declaring the law, having an opportunity of knowing what the law is. We have in this province, an abundance of law made under subordinate legislative authority that no lawyer can find in any publication of any kind. It was the expressed view of the Commission that all law made in the exercise of subordinate legislative powers should be made available in some form or another for public scrutiny and that a committee of the legislature should be established to scrutinize subordinate legislation so that the people's representatives may, at least, have an opportunity of seeing it and submitting their views on it to the legislature. Such a course would not only have a disciplinary effect on the exercise of subordinate legislative power but it would also give the public its right to know, to criticize and to debate.

Now I want to say something about law enforcement. Police power is an essential part of every well regulated society and it should be strengthened where there are weaknesses. It should be reinforced where reinforcement is necessary. Modern scientific developments, new means of communication and transportation have made it easier to commit crime and easier to escape detection. The enforcement of law has become increasingly difficult.

The strongest arm of law enforcement is the conscience of those who live under the protection of the law. The law cannot be efficiently enforced unless the vast majority of the people honour it and respect it. When the police are asked to enforce laws that do not command public respect and which are not generally observed by members of the public including judges, magistrates and even members of the Empire Club alike, the authority and prestige of the police officer and all law enforcement agencies are diminished.

Recommendations we have made with regard to powers of arrest, search and seizure are not intended to, nor will they, if implemented, impair the effectiveness of good law enforcement or the legislative powers of the police. The object of these recommendations is to restore to the police the rightful place in the social life of the community as officers of the law protecting society against the predator. The exercise of power over the liberty of the subject for the protection of individual members of society is a very different thing than the exercise of exactly the same power to enforce a multitude of merely regulatory laws.

When the legislature confers on a police officer the same power to deprive an individual of his liberty by arrest with or without a warrant, with all the attendant circumstances, for a trivial offence warranting a fine of a few dollars as it does in the case of robbery or murder, or to arrest when a summons is all that is required, it alienates the public support for law and law enforcement and undermines the authority of all law.

Our recommendations are directed, not only to make the laws and procedures more just for the individual but we hope to reduce the possibility of injustice in their administration. What we have attempted to do and I hope what we have done, is to focus the attention not only of those who make the laws and those who administer the laws that are made, but those who live under the the laws, that the essential purpose of all law is justice for the individual.

Gentlemen, I conclude where I began, if the society of the future is to be a happy society, we must develop a philosophy of the state and a philosophy for the exercise of the power of the state. General Smuts once said, "The only political philosophy which holds the field is that which recognizes the fundamental ideals of human life in human government, and of these the greatest is liberty." (Quoted by Frankfurter "The Public and Its Government", p. 125.)

The power of the state is not to be exercised as an instrument to enforce authority, but as a means of regulating and promoting the mutual rights, freedoms and liberties of the individuals that make up the state. Laws are not an end but a means to an end. The end should be the recognition of every individual as an individual human being with a dignity to be respected, with rights to be safeguarded by law and, at the same time, with obligations to his fellow human beings to be observed and where necessary, to be enforced by the authority of the law.

Thanks of the meeting were expressed by Mr. Justice Alexander Stark.

APRIL 25, 1968

President's Report 1967-1968

ANNUAL GENERAL MEETING

CHAIRMAN The President,
Graham M. Gore

MR. GORE:

Today's Meeting will be slightly different than usual because the first part will consist of necessary formalities in connection with the Annual Meeting of the Empire Club of Canada. There are certain reports to be given, but I assure everyone they will not be long.

This Club Year, the 64th, included the last portion of Canada's Centennial Year as well as "British Week" in Toronto. Before the opening meeting last October the Club had four special meetings:

May 17 – The Right Hon. Edward Heath
May 24 – Mr. Richard M. Nixon
June 1 – The Archbishop of York, Dr. F. D. Coggan (Joint Meeting with Canadian Club and Bible Society)
July 11 – Centennial Dinner – Earl Mountbatten of Burma

During the regular season from October 5, 1967 to April 25, 1968 there were 22 regular meetings, which included a Ladies' Day Luncheon; three Joint Meetings with the Canadian Club; a Joint Meeting with the English-Speaking Union and the Royal Canadian Military Institute; and our traditional Christmas Party.

The Joint Meeting with the Canadian Club on Thursday, November 30, was addressed by our Honorary President, His Excellency The Right Honourable Roland Michener, who is also a Past President of the Empire Club of Canada. At this meeting he made his first major address in Toronto after assuming the office of Governor General in April 1967. A Joint Dinner Meeting with the English-Speaking Union and the Royal Canadian Military Institute was held on February 1, to hear an address by General Alfred Gruenther.

On Wednesday evening, October 18, Her Royal Highness Princess Alexandra and her husband The Hon. Angus Ogilvie honoured our Club and eight other "Loyal Societies" by their presence at a gala dinner during British Week.

Speakers with national and international reputations have addressed our meetings on a wide range of topics which were of interest to our members. These speakers have favoured us, often at great sacrifice to themselves, and without remuneration. As you know, these addresses will be published in the Yearbook.

Attendance at our regular meetings has ranged from 116 to 582, with an average of about 270. As many as 1200 persons have attended special or joint meetings.

There is a continuing need for new members. You will be interested to know that 346 new members have joined this year, making a total membership of 2,801. The Chairman of the Membership Committee, Dr. Harold Cranfield, deserves a special vote of thanks for his enthusiastic and aggressive programme which has been so successful.

During the year a special committee was established to study the financial aspects of the Club's operations and to report to the Board of Directors. The committee was chaired by Mr. E. B. Jolliffe, First Vice-President, and included among others the Chairman of the Budget and Finance Committee, Mr. Ian Macdonald, our Second

Vice-President. The Committee made a number of recommendations for meeting the increasing costs of the Club's operations, one of which is an increase in the annual membership fee for next year by an amount of $2.00. The Honorary Auditor's report will be published in the Yearbook, which each member will receive at a later date.

Your President has been supported by a great host of members dedicated to the Club's objectives and faithful to its traditions.

There are many who deserve a special word of thanks. Bredin Stapells, last year's President made arrangements months in advance of Centennial Year for outstanding speakers to address us during the summer vacation of 1967, and acted as Chairman of the Centennial Dinner.

Past Presidents Bruce Legge and Arthur Langley performed special services for the Club, and for your President by their efforts in preparing and carrying out plans for some of our very successful special functions.

John Griffin, a Past President and our genial Secretary-treasurer for the past five years, was always available for advice, so generously given. His experience and wisdom has been a great help to me and it is with regret that I report to you that he feels he can no longer continue as Secretary-Treasurer.

Ernie Miles, who never misses a meeting, has served on the Head Table Committee for many years with great distinction and credit to the Club. He has decided that he must relinquish his post because he says "he is not as young as he used to be". Every Club member will be sorry to hear of Ernie's decision but will be grateful to him for his contribution over the many years to the general welfare of the Club.

Mr. H. T. Jamieson has been the Auditor of the Club as long as I have been a member. I hope he continues to be the Auditor as long as I hope to be a member, which I expect will be the rest of my life.

Harold Gillingham has done an outstanding job in arranging the head table for each meeting. This is a time-consuming task which Harold has performed quietly and very efficiently.

Ford Ralph, on the Head Table Committee, and Jim Parish, on the Reception Committee, make an important contribution each Thursday to our programme and deserve our special thanks.

I would like to record my thanks to each Past President, Officer and Member of the Board of Directors. As time is short, I shall name only committee heads and hope that each one of them will convey my sincere appreciation to their committee members:

Budget and Finance – Ian Macdonald
Constitution – Jack Corrigan
Head Table – Harold Gillingham
Membership – Dr. Harold Cranfield
Reception – Dr. Clarence Crummey
Publicity and Public Relations – Peter Hunter
Year Book – Bredin Stapells

The association with the Royal York Hotel has been extremely pleasant and friendly; because of the co-operation and goodwill of the hotel staff and that of Messrs. Angus Mackinnon and Charles Dario.

Mr. Stanley St. John has added to the enjoyment of our luncheon programmes each Thursday with his musical presentation.

To the First Vice-President, Ed Jolliffe, I offer special thanks. He has acted as Chairman in three meetings this year when I have been absent, and has readily provided assistance when called upon.

You the members, bestowed a great honour upon me a year ago when you elected me to the presidency of the Empire Club of Canada. I thank you for the privilege of serving the Club in this office, for your many acts of kindness, and for your support.

I now ask the Chairman of the Nominating Committee, Lt. Col. E. A. (Ted) Royce to present his Report.

COL. ROYCE:

The following gentlemen constituted the Nominating Committee of which I have the honour to be Chairman:

Mr. Richard Casson
Mr. H. G. Gillingham
Mr. Peter Hermant
Lt.-Col. R. H. Hilborn
Mr. John Irwin
Colonel B. J. Legge, Q.C.
Mr. H. T. I. Lee

The Honorary President is His Excellency the Governor General of Canada, The Right Honourable Roland Michener; the Honorary Vice-President is His Honour W. Earl Rowe, the Lieutenant-Governor of Ontario; the Honorary Secretary is Major E. A. Dunlop; the Honorary Assistant Secretary is R. Ford Ralph; the Honorary Treasurer is Marvin B. Gelber and the Honorary Auditor, H. T. Jamieson, F.C.A.

The Board of Directors for 1968-69 will include:

R. L. Armstrong
Norman Borins, Q.C.
F. Gerald Brander
George L. Carruthers
Richard Casson
W. R. Collier
J. H. Corrigan, Q.C.
Alfred H. Cowling
Dr. Clarence B. Crummey
His Worship, Mayor William Dennison
W/C Harold G. Gillingham
Graham M. Gore

Cmdr. R. I. Hendy, V.R.D., C.D., Q.C.
Peter Hermant
Lt.-Col. Robert H. Hilborn, M.B.E.
Charles C. Hoffman
Rev. E. M. Howse, S.T.M., PH.D., D.D.
James O. Hughes
John Irwin
H. N. R. Jackman
Major General George Kitching, C.B.E., D.S.O., C.D.
A. F. Lawrence, Q.C., M.P.P.
Colonel B. J. Legge, Q.C., E.D.
Joseph McCulley
W. T. Murchie, Jr.
Dr. James A. Parish
Joseph H. Potts, C.D.
R. A. Robertson
Dr. Murray G. Ross
Lt.-Col. E. A. Royce, E.D.
R. Bredin Stapells, Q.C.
Colonel J. G. K. Strathy, O.B.E., E.D.
John M. Thompson
Lt.-Col. J. G. Wasteneys, C.D.
J. K. Williams, Q.C.
R. J. Wood

You will observe that of this number, five are new:

George L. Carruthers
Alfred H. Cowling
Peter Hermant
Colonel B. J. Legge, Q.C., E.D.
R. A. Robertson

Mr. Carruthers, an industrialist of national stature, is President of Kimberly-Clark of Canada Limited. Mr. Cowling is well known to you as a member of many years standing, Mr. Peter Hermant is the son of a former President of the Empire Club, Colonel Legge has been prevailed upon to join the Board again after a brief respite since his knowledge and judgment was considered most important to us. Finally, Mr. R. A. Robertson is an officer in the Governor General's Horse Guards and an executive of Procter and Gamble. He is one of our younger members and we are delighted to have him on our Board.

One special announcement must be made at this time and that is the retirement of that good friend and dedicated supporter of the Club, Mr. John W. Griffin, from his post as Secretary-Treasurer. For the moment he has declined to accept another position but we are sure we can count on his assistance in the coming year as the interests of the Empire Club of Canada will always have a high claim on his time and energy. His place will be taken by that able member of the Club, Mr. Donald H. W. Bath, who has agreed to act for the coming year and, hopefully, beyond that.

The Immediate Past President will be Mr. Graham M. Gore whose past year of office has marked another milestone of excellence in the history of the Empire Club of Canada. The other Past Presidents will be:

Colonel Hilborn
Colonel Royce
Mr. R. Bredin Stapells, Q.C.

For elevation to the rank of Vice-President, your Committee unanimously recommends Lt.-Colonel P. W. Hunter, C.D., A.D.C., a graduate of the Royal Military College, a former Commanding Officer of the Governor General's Horse Guards, an executive of McConnell Eastman and a long-time member of this Club who is typical of those younger men in whose hands the future of this organization will rest in the years to come.

Turning to the important position of Second Vice-

President, we recommend that Dr. H. V. Cranfield, who is well known to all of you, be elevated to this rank and finally, as the heir apparent and First Vice-President, we propose Mr. H. I. Macdonald, also one of our younger directors, a Rhodes Scholar, occupying a position of marked importance in the provincial administration and, in every way, suited by education and background to assume more important duties with us in due course.

And now, we come to the most important portion of our duties – that of recommending to you the next President of the Empire Club of Canada and, in this, the Committee was again unanimous and, indeed, enthusiastic in putting forward the name of Edward Bigelow Jolliffe, Q.C., who, during the past year, was First Vice-President. Mr. Jolliffe was born in China and educated in the Canadian School Chengtu, after attending West China Union University, Guelph Collegiate, University of Toronto, Christ Church, Oxford, Gray's Inn and Osgoode Hall. He was called to the English Bar in 1934 and the Ontario Bar in 1936. He was the Leader of Her Majesty's Loyal Opposition in Ontario from 1943-45 and 1948-51. Since 1945 he has been a partner of Jolliffe, Lewis & Osler.

Mr. Jolliffe is Vice-Chairman of the Board of Governors, Central Hospital, Toronto. He is married with four children and in his biographical sketch, and I quote, he says, "In my spare time (if any), I am a farmer and a writer and I enjoy talking and walking."

Gentlemen, It says a great deal for the Empire Club that a man who has distinguished himself in the academic, political and business fields, should be prepared to meet the demands of the presidency of this Club in the coming year. It gives me great pleasure, therefore, Mr. Chairman, to nominate the gentlemen whose names I have read as Directors and Officers of the Club and Mr. Edward Bigelow Jolliffe, Q.C., as the 66th President of the Empire Club of Canada.

MR. GORE:

Are there any other nominations? I declare the nominations closed.

As the number of nominees does not exceed the number of officers and executive offices permitted by the constitution, I instruct the Secretary to cast one ballot for the election of these gentlemen.

The Secretary has just handed me his ballot so I declare those who have been nominated elected as Directors and Members of the Executive Committees for the Club year 1968-69.

APRIL 25, 1968

The World is Our Market

AN ADDRESS BY Gerald M. Abrahams, C.B.E.
CHAIRMAN OF THE BOARD OF AQUASCUTUM

CHAIRMAN The President,
Graham M. Gore

Traditionally, of necessity, Britain is a trading nation. From this island hub, lanes of trade routes extend to all parts of the world, and along these routes flows the vital traffic of commerce on which Britain's economic well-being depends.

To compete successfully in the world's markets, Britain has established a reputation for excellent design, reliability, and craftsmanship in her manufactured goods, and many British brand names have become synonymous with quality the world over.

This is particularly true of British-made clothing, and today we are pleased to welcome one the leaders of that industry as our guest speaker. He is Mr. Gerald M. Abrahams, C.B.E., of London, England, who is Chairman of Aquascutum & Associated Companies Limited and a Director of that organization's branches in Canada and the United States. ("Aquascutum" is, of course, the well-known brand name of a quality line of British rainwear.) To give him that spirit of buoyancy and optimism which we wish him to have particularly while he is here in this vibrant city with its rapidly expanding economy – we have provided a climate, today, which encourages the purchase of his excellent raincoats.

Mr. Abrahams is also a director of a number of other companies overseas, including Albion Products Ltd., Empire Furnishing Co. Ltd., and Rodex of London Ltd.

A prominent participant in the industrial life of Britain, he is Chairman of the Clothing Export Council, Vice-President of the Clothing Institute, and a Member of the Council of the Confederation of British Industry, the Clothing Manufacturers' Federation of Great Britain, and the Committee for Exports to Canada.

He was born in London, England, on June 20th, 1917, and undertook real estate training in 1935. The following year he commenced as a trainee with Aquascutum Ltd. and worked through all departments until the outbreak of the Second World War in which he served with the artillery and attained the rank of major.

Following the war he returned to Aquascutum and was made Director and became Chairman in 1947. He is married to the former Doris Cole of Brookline, Massachusetts, and they have two daughters.

His topic today is "The World Is Our Market", and I am pleased to invite him to address us at this time. Mr. Abrahams.

MR. ABRAHAMS:

I am delighted to be with you and having seen the list of some of the eminent men who have addressed your gatherings in the past I am very conscious of the honour you have paid me by inviting me to be your guest to speak to you today.

It is particularly pleasing – and also reassuring – to think that I am, in a snese, following in the footsteps of that great Englishman and patriot, Sir Winston Churchill.

However, unlike such great men I am just an ordinary business man, but I have the honour to be a member of the British National Export Council for Canada, which is dedicated to increasing trade from Britain to Canada and which played such a big part in organizing the successful British Week, Toronto last fall, and Chairman of the Clothing Export Council of Great Britain which is helping increase British clothing exports. Our industry has achieved international fame by its leadership in menswear and by its revolutionizing of women's fashions which has not only stimulated the trade everywhere, but has made it fashionable for more of the female form to be seen than ever before. In Canada, however, I feel at home as a manufacturer and employer of Canadians, who is devoting his time to bringing sunshine into everyone's life by making beautiful clothes for them to wear and by exporting to the U.S.A. earning some valuable foreign currency into the bargain. I find work for industry generally and international trade in particular a most fascinating part of my business life, but please understand that any views I express are my own personal ones and do not necessarily reflect those of British business generally, and whilst I have a number of politicians whom I regard as friends I certainly do not represent their views.

But I do want to talk about international trade which is the basis of world economy. Taking our British position, we have got to get out and sell for we have almost no raw materials and only half our food and our very existence depends on trading with other countries. We have to rely on our inventiveness, our know-how and our skill in manufacture and on being that much better at producing things than the next man. Sometimes we have to persuade people to buy things that they make themselves and that they do not particularly need – we usually do this by adding something.

The key to success in any market, new or old, at home or abroad, is, of course, market research, in which I am a firm believer. This is time, trouble, attention, work, but it is the basis of succesful trading. You must get to know the people you are to do business with and understand their needs and plan your products accordingly, and they must know as much as possible about you.

But what's our position in the United Kingdom? Some ill-informed people abroad seem to think that our skills have deserted us, that we are washed up and generally on the way out. Our own critics at home have subscribed to this image by publicly attacking our industrialists and business men for being inefficient, stuffy, lazy and stick-in-the-mud. So many of our friends abroad have come to think of England as merely the land of Beefeaters, the Tower of London, Trooping the Colour and the place you stop off at the end of your European tour to collect your antiques before going home.

All these images are, of course, entirely false ones and the fact that they persist in some people's minds is, I think, largely our own fault for not doing something about it. It is one of our better known characteristics to be reticent about our own achievements and to dislike blowing our own trumpets. We are in Britain absolute masters of the understatement, we shrink from superlatives and even when we hit the jackpot – which we do quite often I may say – we are loath to admit it. So it is not surprising if people get the wrong idea.

I, however, belong to the new British school and I believe in letting everyone know just how efficient and modern we really are. Although we are one of the smallest, we are one of the most heavily industrialized countries in the world, the world's third largest trading country, the world's second largest importer and third largest exporter. Last year our exports and re-exports to all parts of the world totalled some 13,000 million dollars, an average of over 35 million dollars every day of the year, including Sundays – hardly the performance of a country on the rocks. We are the world's largest exporter of agricultural tractors, commercial road vehicles, vacuum cleaners and washing machines, pianos, cycles, caravans, telegraph and telephone equipment, radioisotopes and of woollen cloth and cotton yarn and thread.

Of course, we provide the world with a lot of other things as well. Scotch whisky of which we exported $317 million worth last year; pottery and china; jewellery; gold and silverware in the design of which our craftsmen have acquired international renown and, of course, a wide range of textiles and clothing. These are just some examples taken at random from the very long list of goods we export all over the world which I could tell you about. And to show you how enterprising we are – we didn't only bring you the mini-skirt for your entertainment, we did it for the money as well – and I can also include sootblowers to Saskatchewan, Sauerkraut to Germany, crossbows for the U.S.S.R., rubbish to Switzerland (for compression into material for building blocks) and false eyelashes to over 60 countries.

So you see that far from being an outdated country living on its traditions, we are very much alive and in the forefront of world trade. Were this not so we should not be in the position today of exporting annually over $1,700 million to the U.S.A. – that most efficient of all manufacturing countries and our largest export market.

But these, of course, are all visible exports – tangible objects that one sells for cash – and it is not by these alone that Britain seeks to earn her living in the markets of the world.

Side by side with our visible trade we conduct a host of overseas operations of an intangible nature covering banking, insurance, shipping, air services, tourism and all the intricate and highly skilled services provided by the City of London. These are things we do rather well because we invented most of them and we have been doing them for a very long time.

These invisible earnings, amounting last year to over $7,500 million, make an invaluable contribution to our overseas balance and, are, in fact, growing faster than our visible earnings and for many years have shown a net balance of credits over debts.

Incidentally, while Monsieur Le General is busy explaining why our economy is too rocky to make us a desirable member of the Common Market, Frenchmen who want to raise money or take out insurance come to London because they cannot get it in Paris and I am told there have been one or two occasions when sterling has gone into the world market to prop up the French franc. But, I love France and the French people and I am sure that one day we shall really get together.

Yes, I know what you are thinking. If we are such a modern, sophisticated, technically advanced nation, how is it that during the last few years we have got into such horrible financial difficulties that we have had to devalue our currency and that as recently as last month our Chancellor of the Exchequer presented a Draconian budget which took an additional $2,400 million out of the private sector. Well, as every economist and planner has already tried to explain what has gone wrong I am not going to go over the whole thing again. But I can give you the real reason for our difficulties. It is that the country is run by politicians and not businessmen. This is, of course, what's wrong with most countries. Politicians have shown time and time again that they do not understand how business or the economy works. So is it surprising that they make a nonsense of balancing our books and base their economic policies on completely erroneous premises?

I do not pretend to be an economist and I have no intention of pointing out to the Government what they should do to get over our apparent difficulties – they wouldn't pay any attention if I did – but there are just three points I should like to make because they are relevant to what I have said about our ability to compete in world markets.

The first is that the gap between what we buy and what we sell abroad when compared to the total volume of trade carried on during the year is really minute. A deficiency of $520 million in relation to $44,200 million, which was the total of overseas transactions during the year, is, if my mathematics are correct, a little over 1% and the adjustment we need to make is, therefore, not very great. It's actually less than our debit balance with Canada and if we could only get you good people to spend a bit more money in the United Kingdom instead of in the United States we should be in the clear.

The second point I want to make is that it is utter nonsense to put the blame for our difficulties onto the failure of private traders to do more business abroad. It is often said at home that to get our balance of payments straight we must export more, implying that it is our fault that we are in the red. But the fact is that over the nine years ending 1966, during which our two-way trade with the world amounted to over $260,000 million, our trade in goods and services showed a surplus – a small one it is true, but a surplus nevertheless. It was massive Government expenditure – every country's problem – and nothing to do with any shortcomings on the part of British industry that resulted in a debit balance.

My third point is that far from being discouraged by the extent of our participation in world trade in recent years we have every reason to congratulate ourselves on what has been a remarkable performance.

Whereas before the war we were only paying for two thirds of our imports by our normal export earnings and had to rely on the income from our investments to pay for the rest, we are now paying for over 95%. And we are doing this, in the main, by selling in the markets of Western Europe and North America where competition from domestic manufacturers and other exporters is fiercest. In short, we are competing successfully in the top league and taking a leading part in the growth and development of world trade.

Of course, we are not blessed with the enormous advantages which you enjoy here in Canada. We are not sitting on top of a great treasure trove of natural resources where you cannot dig a hole without running into silver or copper, uranium or potash, or getting a squirt of oil in your eye. Nor do we have the room to grow miles and miles of wheat which we can ship to a hungry world and we have not got millions and millions of trees which we can chop down and turn into cash. Apart from some coal which is rapidly becoming obsolete as a means of generating heat and power and an unknown quantity of natural gas in the North Sea we are singularly ill-endowed by nature. So it is not really surprising if we look at you with a certain amount of envy. Nor it is surprising that we look on you as a highly desirable and potentially lucrative market for our products. After all, we speak the same language more or less, and the majority of us have the same background with family ties going back for hundreds of years and there is a long tradition of close relations between our two countries in war and peace. We have been trading together ever since the Hudson's Bay Company began operating some three hundred years ago and although our share of your import market has shrunk considerably since the war, we are still your second largest supplier of goods, services and investment capital and your second largest export market. I hasten to add that these are pretty poor seconds after the United States from where you get most of your imports and where half your exports go, but this would not matter so much if the trade between us was a balanced one. It is a regrettable fact, however, that it is nothing of the sort and it is a matter of some concern to many of us that while we buy such a lot from you – over $1,000 million worth last year, of which, kindly note, 95% entered the United Kingdom duty free – you continue to fall far behind in your purchases from us. This has become an increasingly serious position, made worse as more and more Canadian manufactured articles find their way onto our market without a corresponding rise in the other direction. Trade, after all, is a two-way operation and if it becomes one-sided the danger is that it will eventually disappear altogether. As we are such a good market for your products I would have thought it was very much in your own interests to keep us sweet by buying more of the things you need from us. With modern jet travel we are practically on your doorstep these days and don't forget that with devaluation of sterling our prices are now more competitive and a lot more attractive than they have been for many years.

If anyone here had any doubts about our desire to increase our trade with you, I hope they were settled by the impressive British Industrial Fair in this city last May, by our participation in the National Trade Fair in Vancouver, by the British Pavilion at Expo and by the British Week held here in October – four pretty good indications of the seriousness of our intentions.

We are now following up those memorable events with hard-selling missions and as far as my own industry is concerned, we shall go on visiting you and worrying you from now on, in the hope that even if we cannot get rid of the imbalance we can at least sell each other more and so make the imbalance less important. This I might call Prince Philip's Law. I heard his Royal Highness tell the Italians in Milan not long ago that the imbalance of trade between two countries becomes less important the smaller it is in proportion to the total volume of trade between them. For example, he said, if the respective export figures of two countries trading with each other were £150 million and £100 million, the imbalance of £50 million would represent 20% of their total trade to each other (£50 million out of £250 million) but if both increased their exports to each other by £300 million, making their figures £450 million and £400 million respectively, while the imbalance would remain the same in absolute terms (i.e. £50 million) it would represent less than 6% of the total volume of trade between them. Simple Royal economics and how plumb right they are. How happy we would be if we could get our imbalance with you down to 6%.

So there is a every reason for us to get together and to build up a bigger and better operation that will benefit us both as we are doing with other countries.

We do business wherever we are allowed to and it is our experience that the more successful we are in an overseas market, the better the domestic manufacturer in that particular market does as a result. There is no doubt that bilateral trade spreads new ideas, methods and techniques, it raises standards in industry and improves products and by building up new business it creates new wealth.

I know there are people in most countries who fear that imports will injure domestic industries and so deprive the home manufacturer of some of his business. That these fears are completely groundless is shown by the members of both the main trading groups in Europe – the European Economic Community and the European Free Trade Association – all of whom have substantially increased their sales amongst each other as a direct result of the lowering and abolition of tariffs and the abandonment of restrictions between them.

This is surely what we should all be looking for – the steady, uninterrupted expansion of world trade with the immeasurable benefits in human welfare and happiness that it brings in its train.

Let us stop thinking of our trade as "Home" and "Overseas", let us erase from our vocabularies the words "Exports" and "Imports". Let us reject protectionist policies and anything else which will militate against a world market and let us, instead, co-operate with each other in building up a bigger cake in which we can all share.

Furthermore, we live in an age of scientific discovery and of constant and rapid change when the wonder of today is old hat by next year. Who knows, the time may be approaching when instead of petrol we shall be buying a teaspoonful of atomic energy or using electric cars and instead of bread made from your high-protein wheat we shall be having a pill for breakfast. And I would not count too much on your timber either because, as a boating man, I see a lot of fibre-glass everywhere and with the rate that science is progressing I think we shall be seeing substitutes for most things before very long.

So, what I would say to you is that no one can stand still in the midst of progress and no one can afford to ignore the changes which are taking place everywhere. I am sure there are more opportunities, for example, for Canadians to go into the markets of the world, help to expand business and spread a bit of that wonderful Canadian way of life.

But please be certain that amongst those of you who go to the United Kingdom there are more buyers than salesmen!!

Finally, I shoud like to turn to business as I see it. We in our Company try to do things the new British way. We certainly are dedicated to the job. We promote and sell all over the world, but we don't think about trading overseas – exporting – as something different, some mysterious cult into which one has to be initiated. We believe that trade is trade the world over and for us it is an integral part of our business. We go out and get to know about the people; we learn about their habits and their problems and their likes and dislikes, we study their physical attributes and the climate in which they live and everything about them so that the clothes we make for them will be exactly what they want. And when we have done all that we endeavour to persuade the fine shops and stores to buy our goods for their customers. And always we stand behind our product because we are proud of what we make and jealous of our good name.

We try to give the best service in the world and look after our customers better than anybody else. This is the new British way of doing things and I am sure that visiting together, talking together, trading together are the ways to increase international understanding and advance along the path of peace and prosperity.

Thanks of the meeting were expressed by John Irwin.

July 25, 1968

The President and Directors,
The Empire Club of Canada,
TORONTO, Ontario.

GENTLEMEN,

We have examined the attached Balance Sheet of The Empire Club of Canada as at 30th April, 1968 and the attached Statement of Surplus for Continuation of Club Activities and Statement of Operations for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Office Furniture and Equipment is carried on the Balance Sheet at a nominal value of $1.00.

Subject to the foregoing, we report that, in our opinion, the attached Balance Sheet and attached Statement of Surplus for Continuation of Club Activities and the attached Statement of Operations present fairly the financial position of the Club as at 30th April, 1968 and the results of its operations for the year ended on that date in accordance with generally accepted accounting principles.

Reported by
H. T. JAMIESON, LEMAY, & COMPANY
CHARTERED ACCOUNTANTS
Honorary Auditors

BALANCE SHEET AS AT 30TH APRIL, 1968

ASSETS

1967			
$ 6,541.63	*Cash on Hand and in Bank*		$ 3,621.45
626.40	*Dinner Expenses Recoverable*		
	Investments at Cost:		
5,757.25	Government of Canada Bonds 4½% maturing 1st September, 1983, Par Value $6,000.00 (Market Value 30th April, 1968 $4,725.00)		5,757.25
1.00	*Office Furniture and Equipment at Nominal Value*		1.00
			$ 9,379.70
$12,926,28			

LIABILITIES AND SURPLUS

1967			
	Liabilities:		
$2,357.27	Accounts Payable	$ 913.14	
1,150.00	Advance sale of Tickets for Richard Nixon Dinner	—	
510.00	Membership Fees received in Advance	148.00	
800.00	Estimated Provision for Unpresented Luncheon Tickets	1,100.00	
$ 4,817.27			$ 2,161.14
8,109.01	*Surplus for Continuation of Club Activities*		7,218.56
$12,926,28			9,379.70

NOTE: At 30th April, 1968, the Club was committed to publish the 1967-68 Year Book at an estimated cost of $7,000.00.

Certified subject to our attached Report of this date.

H. T. JAMIESON, LEMAY, & COMPANY

Toronto, Ontario.
25th July, 1968.

CHARTERED ACCOUNTANTS
Honorary Auditors.

STATEMENT OF SURPLUS FOR CONTINUATION OF CLUB ACTIVITIES FOR THE YEAR ENDED 30TH APRIL, 1968

Balance 30th April, 1967	$ 8,109.01
Add:	
Life Membership Fees Received	1,200.00
	$ 9,309.01
Deduct:	
Net Loss on Operation for Year	2,090.45
Balance 30th April, 1968	$ 7,218,56

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30TH APRIL, 1968

			1967
Income:			
Membership Fees		$22,018.00	$22,179.18
Proceeds from Sale of Year Book		58.65	55.66
Interest received on Bonds		270.00	270.00
Proceeds from Sale of Luncheon and Dinner Tickets	$45,672.40		
Less:			
Amount provided for unpresented tickets	300.00	45,372.40	21,645.98
Donation		50.00	—
		$67,769.05	$44,150.82
Expenditure:			
Bank Charges and Exchange		$ 7.74	$ 19.03
Canada Pension Plan		67.68	34.32
Furniture and Fixtures		11.50	1,398.95
Luncheon and Dinner Expense: Cost of Meals, etc. including cost of Christmas Dinner		43,680.48	23,166.78
Members' Notices		5,545.11	5,468.08
Miscellaneous		660.60	1,186.53
Music		730.50	440.00
Printing, Stationery and Postage		4,145.49	2,219.35
Year Book Costs		6,953.38	6,168.36
Recording and Publicity		1,569.56	1,452.33
Rent		1,302.00	1,092.00
Speakers' Expense		340.00	232.48
Telephone and Telegraph		311.50	441.89
Secretarial Services		4,410.00	3,721.80
Honorarium—Secretary-Treasurer		—	1,000.00
Donations		75.00	250.00
Unemployment Insurance		48.96	14.28
		$69,859.50	$48,306.18
Net Loss on Operations for the Year		$ 2,090.45	$ 4,155.36

1968-1969 *Officers and Board of Directors*

Honorary President	HIS EXCELLENCY THE RT. HON. ROLAND MICHENER, C.C., C.D., GOVERNOR GENERAL OF CANADA
Honorary Vice-President	THE HON. W. EARL ROWE, P.C., LIEUTENANT-GOVERNOR OF ONTARIO

Officers

President	EDWARD B. JOLLIFFE, Q.C.
First Vice-President	H. IAN MACDONALD
Second Vice-President	DR. H. V. CRANFIELD
Third Vice-President	LT. COL. P. W. HUNTER, C.D., A.D.C.
Secretary-Treasurer	D. H. W. BATH
Honorary Secretary	MAJOR E. A. DUNLOP, G.M., O.B.E., M.P.P.
Honorary Treasurer	MARVIN B. GELBER
Hon. Asst. Secretary	R. FORD RALPH
Honorary Auditor	H. T. JAMIESON, F.C.A.

Board of Directors

R. L. ARMSTRONG
NORMAN BORINS, Q.C.
F. GERALD BRANDER
G. L. CARRUTHERS
RICHARD CASSON
W. R. COLLIER
J. H. CORRIGAN, Q.C.
ALFRED H. COWLING
DR. C. B. CRUMMEY
WILIAM DENNISON
W/C H. G. GILLINGHAM
GRAHAM M. GORE
CMDRE. R. I. HENDY, V.R.D., C.D., Q.C.
PETER HERMANT
LT. COL. R. H. HILBORN, M.B.E.
CHARLES C. HOFFMAN
VERY REV. E. M. HOWSE
JAMES O. HUGHES
JOHN IRWIN
H. N. R. JACKMAN
MAJ. GEN. GEORGE KITCHING, C.B.E., D.S.O., O.ST.J., C.D.

HON. A. F. LAWRENCE, Q.C., M.P.P.
COL. B. J. LEGGE, Q.C., E.D.
JOSEPH MCCULLEY
W. T. MURCHIE, JR.
DR. JAMES A. PARISH
JOSEPH H. POTTS, C.D.
R. A. ROBERTSON
DR. MURRAY G. ROSS
LT. COL. E. A. ROYCE, E.D.
R. BREDIN STAPELLS, Q.C.
COL. J. G. K. STRATHY, O.B.E., E.D.
JOHN M. THOMPSON
LT. COL. J. G. WASTENEYS, C.D.
J. K. WILLIAMS, Q.C.
R. J. WOOD

Immediate Past President	GRAHAM M. GORE
Past Presidents	R. BREDIN STAPELL, Q.C. LT. COL. E. A. ROYCE, E.D. LT. COL. R. H. HILBORN, M.B.E.

Constitution

As amended April 27th, 1967.

ORGANIZATION OF THE CLUB

ARTICLE I

Name

1. The name of the club shall be The Empire Club of Canada.

Purpose and Object

2. The purpose and object of the club is to promote the interests of Canada and the British Commonwealth by the consideration and discussion of subjects and events relating thereto and by any other means appropriate to the facilities of the club.

MEMBERSHIP

ARTICLE II

Classes of Members

1. The membership of the club shall consist of:
   (a) Honorary members
   (b) Life members
   (c) Regular members
   (d) Corporate members

   All members of classes (a), (b), (c) must be of the full age of eighteen years.

Honorary Members

2. Honorary members may be elected by the unanimous vote of those present at a meeting of the board of directors. They shall be exempt from the payment of fees but shall not have the privilege of voting or holding

office and their membership shall be terminable at any time by a two-thirds majority of those present at a meeting of the board of directors.

Life Members

3. Members of the club in good standing (other than corporate members) and other persons regularly proposed may be elected life members by a two-thirds majority of those present at a meeting of the board of directors. Life members shall pay such a fee in one sum as may be fixed from time to time by the board of directors.

Regular Members

4. Save as provided in Section 5 of this Article candidates for regular membership shall be proposed by a member in good standing and shall be elected by a two-thirds majority of those present at a meeting of the board of directors.

   Save as provided in Section 5 of this Article regular members shall pay respectively such annual fees as may be fixed from time to time by the board of directors. Members elected after the first day of March in any year shall pay one annual fee only in respect of the period from the date of election until the thirtieth day of September in the following year. No member in arrears for fees after January 1 shall be considered in good standing.

Corporate Members

5. Any company, partnership or business organization shall be eligible for election as a corporate member. Applicants shall be proposed by a member in good standing and the application shall contain the names and positions of the persons nominated by the applicant as its representative regular members. The applicant and its nominated representatives shall be elected by a two-thirds majority of those present at a meeting of the board

of directors. A corporate member shall be entitled to nominate such number of its representative regular members as may be fixed from time to time by the board of directors and shall pay such annual fee as may be fixed from time to time by the board of directors, provided that such fee shall not be less than the aggregate fees which would have been payable on an individual basis by such representative members for the year in question. Save as in this section provided no fee shall be payable by or in respect of the representative regular members of a corporate member.

DIRECTORS

ARTICLE III

Duties and Powers

1. The affairs of the club shall be managed by a board of directors who may exercise all such powers and do all such acts and things as may be exercised or done by the club and are not by the by-laws or by law directed or required to be done by the club at a general meeting of its members. At all meetings of the board of directors the Chairman of the meeting shall have a casting vote.

Number and Quorum

2. The board of directors shall consist of forty members of whom sixteen shall constitute a quorum. The board of directors shall include at least four past presidents of the club, one of whom shall be the immediate past president and three others shall be the three past presidents immediately preceding the immediate past president if they are willing and able to act as directors.

Election of Directors

3. A nominating committee consisting of five members of the board of directors and four other regular members

of the club shall be appointed annually by the board of directors at least thirty days prior to the annual meeting and shall prepare a list of nominations for directors for the ensuing year. The chairman or acting chairman of the nominating committee shall report the nominations of that committee to the annual meeting at which the board of directors shall be elected, but nothing herein shall preclude the nomination of other persons for the office of director at the annual meeting. If nominations do not exceed the number of directors necessary, the chairman of the meeting may instruct the Secretary-Treasurer to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the chairman to have been duly elected. No person shall be elected a director unless he is a regular member in good standing and is a Canadian citizen or a British subject.

Meetings of Directors

4. Meetings of the board of directors shall be called by the President, or on a requisition signed by three of its members. Written notice of such meetings shall be given to each director five days or more before the meeting is to take place, provided that a meeting may be held at any time if all the directors are present or if those absent have waived notice of or otherwise signified their consent to such meeting being held in their absence or have approved or signified their approval in writing to the proceedings taken at the meeting. The board may appoint a day or days in any month or months for regular meetings, at an hour or place to be named, and of such regular meeting, no notice need be given.

Casual Vacancies

5. In the event of any vacancy occurring in the office of director, the remaining directors may fill the vacancy

from among the members for the unexpired portion of the term of office of the person whose office is vacant.

OFFICERS

ARTICLE IV

1. The officers shall consist of an Honorary President, an Honorary Vice-President, a President, First, Second and Third Vice-Presidents, an Honorary Treasurer, an Honorary Secretary and a Secretary-Treasurer. The board of directors may from time to time elect or appoint such other officers as it shall deem necessary. The President and the Vice-Presidents shall be directors of the club but other officers need not be directors. No person other than the Honorary President and the Honorary Vice-President shall be eligible for office unless he is a member in good standing. The President shall, when present, preside at all meetings of the members and of the board of directors. During the absence or inability to act of the President, the Vice-Presidents in order of seniority shall act as Chairman at such meetings and otherwise perform and exercise the duties and powers of the President.

Appointment of Officers

2. The board of directors shall meet as soon as convenient after their election for the purpose of appointing the officers of the club for the period ending April 30 in the next year but each officer shall continue in office until his successor is elected.

Casual Vacancies

3. In the event of a vacancy occurring in any office the board of directors may fill the vacancy for the unexpired portion of the term.

Honorary Auditor

4. An Honorary Auditor shall be appointed at each annual meeting. An audited statement of the finances of the club for the fiscal year shall be published annually and a copy shall be sent to each member.

COMMITTEES

ARTICLE V

1. The following standing committees and the chairman of each shall be appointed by the board of directors as soon as convenient after the election of the board:
   (a) Budget and Finance Committee
   (b) Speakers Committee
   (c) Membership Committee
   (d) Constitution Committee
   (e) Reception Committee
   (f) Publicity and Public Relations Committee
   (g) Year Book Committee
   (h) Head Table Committee
   provided that for any year the board of directors may by resolution elect not to appoint any one or more of such committees.
2. The President or the board of directors may from time to time appoint such other committees as may be deemed expedient.

MEETINGS OF MEMBERS

ARTICLE VI

General Meetings

1. The club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as may from time to

time be determined by the board of directors. Special meetings of the club may be called at any time by the President.

Annual Meeting

2. The annual meeting shall be held not later than April 30 in each year. At the annual meeting a report of the year's proceedings and work shall be submitted by the President and this report shall be accompanied by an interim report from the Secretary-Treasurer.

Notice of Meetings

3. Written notice of all meetings of members shall be given all members of the club before the date on which the meeting is to be held. Such notice shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto. The accidental failure or omission to give notice to any member shall not invalidate the proceedings at any meeting.

Quorum at Meetings

4. Sixteen members in good standing shall constitute a quorum at any meeting of the club, general, annual or special, and the Chairman of the meeting shall have a casting vote.

Limitation of Business at General Meetings

5. No business other than the hearing of the addresses shall be introduced at any meeting of the club by any person other than the chairman of the meeting, unless it has been submitted to the board of directors and received its approval.

FISCAL YEAR

ARTICLE VII

The fiscal year of the club shall end on such day in each year as may be fixed by the board of directors but unless so fixed by the board shall end on April 30th.

AMENDMENTS

ARTICLE VIII

Subject to the provisions of The Corporation Act this constitution may be amended by the board of directors, but unless in the meantime confirmed by a majority of the members present in person at a meeting of the members duly called for that purpose, any amendment is effective only until the next annual meeting of members unless so confirmed thereat and, in default of such confirmation thereat ceases to have effect at and from that time, and in that case no new amendment of the same or like substance has any effect until confirmed at a meeting of the members.

Membership

HONORARY MEMBERS

Field Marshal Earl Alexander of Tunis, K.G., G.C.B., G.C.M.G.
Cartwright, John R, The Hon. Chief Justice of Canada
Clouse, Major Frank
Comber, Walter W.
Daniels, D. K., O.B.E.
Frost, Hon. Leslie M., Q.C.
Gardiner, F. G., Q.C.
Geary, Major B. H., V.C.
Gillespie, Lt. Col. George H.
Mansfield, S. J.
Miles Ernest
Osborne, Col. J. Ewart

LIFE MEMBERS

Allan, William N.
Anderson, D. S.
Ash, W. M. V.
Bassett, J.
Batty, Joseph
Baxter, Ian S.
Baxter, Major James, M.C.
Beare, S. E.
Beatty, D. S.
Berkinshaw, R. C.
Best, Douglas W.
Borins, Norman, Q.C.
Bovey, E. C.
Boyles, Thomas A.
Burns, Charles F. W.
Caswell, W. A., J.P.
Cobham, Arthur H.
Cosens, G. G.
Craig, Lt. Col. John A. D.
Cranfield, Dr. Harold V.
Crummey, Dr. Clarence B.
Davies, Rev. E.
Deacon, Fraser
Douglas, Lt. Col. R. G.
Du Vernet, E. A., Q.C.
Eaton, Donald L. H.
Eisen, Sol.
Fletcher, S. S.
Frost, Lt. Col. C. S. Jr., Q.C.
Gillingham, W/C Harold G.
Goldring, Dr. C. C.
Gore, Graham M.
Griffin, Ian A.
Griffin, John W.
Harpham, H.
Hellyer, Hon. Paul T., P.C., M.P.
Hermant, Adam B. T.
Hermant, John D.
Hermant, Peter
Hermant, Sydney
Hilborn, Lt. Col. Robt. H., M.B.E.
Hoffman, Charles C.
Hogg, Lt. Col. N. D., M.B.E., E.D.
Hough, T. E.
Howse, T. H.
Hughes, James O.
Inwood, A. E. M.
Jackman, H. N. R.
Jackman, H. R., Q.C.
Jamieson, H. T.
Johnston, W. D.
Joyce, James H.
Jupp, Lt. Col. D. H., O.B.E.
Karn, William M.
Kent, J. Palmer, Q.C.
Keys, N. A., M.C., Q.C.
Lambert, A. T.
Lawson, H. R.
Legge, Col. B. J., Q.C., E.D.
Low, Steven
MacKay, Hon. Keiller
Mackinnon, Lt. Col. A. P.
Matthews, Maj. Gen. A. B.
Matthews, Brig. F. B., C.B.E., Q.C.
McCrimmon, Maj. J. S. G.

McKinnon, N. J.
Michener, His Excellency
  Hon. D. R., P.C., Q.C., LL.D.
Mikkila, W. G.
Neelands, D. G.
Pallett, John C.
Parish, Dr. James A.
Ridley, John B.
Roman, S. B.
Rosen, A. E.
Royce, Lt. Col. E. A., E.D.
Sandy, J.
Scythes, J. A.
Smeed, J. R.
Stark, Alexander, Q.C.
Strathy, Col. J. G. K.
Sullivan, Hon. Dr. J. A.
Thompson, Eric F.
Thomson, Garth O.
Thomson, K. R.
Turner, Capt. T. C.
Waldie, Gordon
Watkins, William B.
Williams, J. K.
Wotherspoon, Brig. G. D. De S.

REGULAR

Abbey, Robert
Abbott, R. L.
Abel, Albert S.
Abernethy, Lt. Col. W. W.
Abram, George S.
Acomb, S. R.
Adair, Joseph
Adams, A. H.
Adams, G. W.
Adams, J. C.
Adams, Nevin R.
Adams, Ross H.
Adams, W. Bruce,
Adams, W. Eric
Adams, W. H.
Adamson, Edwin F.
Adamson, G. A.
Adamson, Walter
Adye, Rev. Canon E. R. G.
Agar, Harold A.
Aggett, A. H., M.R.A.I.C.
Agius, Walter
Aiken, Lloyd T.
Aikenhead, James M.
Aird, A. E.
Aitchison, Ian A.
Aitchison, R. J.
Alberts, Edgar T.
Albery, A. C. R.
Alderwick, Trevor
Alexander, H. H.
Alexander, J. G.
Algar, John
Allan, Dr. Blandford
Allan, R. D.
Allen, Ivan V.
Allen, John F.
Allen, Dr. Michael S.
Allen, R. D.
Allen, W.R., Q.C.
Allingham, N. W.
Allingham, S. A.
Allward, P. A.
Amato, L.
Ambridge, D. W.
Ambrose, Sheriff P. J.
Amos, J. L.
Ander, Morris
Anderson, J. B.
Anderson, J. Murray
Anderson, R. S.
Andison, Douglas
Andras, K. B.
Andreae, H. C.
Anglin, Dr. Crawford S.
Angus, D. L.
Annett, D. R.
Anthony, R. F. K.
Apple, B. Nixon, Q.C.
Appleton, C. N.
Appleton, D. C.
Arbuckle, W. Walter
Archbold, Wm. D.
Archibald, C. R., Q.C.
Argue, D. R.
Armel, M.
Armour, A. Douglas
Armoor, David
Armstrong, A. S.
Armstrong, G. A.

Armstrong, George C.
Armstrong, G. E.
Armstrong, Jas. A.
Armstrong, John S.
Armstrong, P. C.
Armstrong, Robert L.
Arthur, B. R.
Arthur, John B.
Arthur, John G.
Ashley, S. E.
Astle, G. W.
Astley, D. B.
Atherton, C.
Attewell, W. C.
Auburn, F. W.
Auden, M. F.
Austin, Frank
Austin, J. Jarvis
Ayles, L.

Babcock, Harold A.
Baggley, R.
Bagshaw, B. F.
Bagwell, George B., Q.C.
Bailey, H. V.
Bailey, John A.
Bailey, William K.
Bailie, A. A.
Bainard, R. H.
Baines, E. A.
Baines, Frederic P.
Baker, Allan D.
Baker, Rev. A. Gordon
Baker, C.C. M.
Baker, Col. E. A.
Baker, George
Baker, J. R.
Baker, Paul L.
Baker, Vern E.
Balfour, H. K.
Balfour, Norman E.
Ball, Gordon R.
Ball, J. R.
Ball, His Hon. Leslie M.
Ballantyne, R. B.
Ballantyne, W. Robt.
Baltz, E. M.
Band, John M.
Band, Philip E.
Barber, D. J.
Barber, Col. J. R., E.D., C.D.
Barber, William
Barclay, D. F.
Bardsley, J. W.
Bark, Chad F.
Barnes, Major F. A.
Barnicke, J. J.
Barr, John A.
Barrett, L. C., Q.C.
Barrett, R. K.
Barron, Christopher
Barstow, J. M.
Barter, Ernest J.
Bate, Wm. B.
Bateman, Howard J.
Bates, George H.
Bates, Dr. Gordon
Bath, Donald H. W.
Bawden, H. N.
Bayes, W. E.
Baylis, Roy E.
Beale, R.
Beamish, King J.
Beattie, A. L., Q.C.
Beattie, C. M.
Beauchamp, Walter N.
Beckerman, Irving
Bedford-Jones, C. E. B.
Bedford-Jones, Canon H.
Beeston, George H.
Belak, Nicholas
Bell, B. D. Gordon
Bell, C. B.
Bell, Clarence W.
Bell, E. S.
Bell, J. Donald, Q.C.
Bell, J. R.
Bell, Norman B.
Bell, N.H.
Bell, Norman O.
Bell, W. E.
Bell, W. E. N.
Belyea, Abner B.
Belyea, Roy E.
Ben, George
Bengert, Ernest C.
Benitz, B. M.
Benitz, John C.
Bennett, Bryan C.
Bennett, David T.
Bennett, Jacob M., Q.C.
Bennett, Rev. Reginald M.

Bentley, A. F.
Berghuis, Wm. W.
Bernard, Emile N.
Berner, W. G.
Berry, J. Wilson
Best, Fred
Best, Gordon H.
Beveridge, C. G.
Biback, Norman
Bick, Charles O.
Bickle, W. N.
Biddell, John L.
Biggar, H. T.
Biggs, G. L.
Biggs, Stanley C., Q.C.
Bilbrough, W. H.
Billes, A. W.
Birmann, E. K.
Birrell, L. P.
Birrell, Dr. Russell G.
Biscoe, J. V. J.
Blachford, H. A.
Black, James J.
Black, Paul F.
Blackburn, D. W.
Blain, Lysle K.
Blainey, James E.
Blair, L. E.
Blair, S. M.
Blair, W. D'Arcy
Blair, Willis L.
Blake, Parker G.
Blanchard, H. A.
Blane, Robert
Blay, J. A.
Bleeker, D. F.
Blenkinship, Cecil S.
Bliss, Harvey I.
Boddy, R. Paul
Boehm, A. F.
Boehmer, J. W.
Bolin, A. P.
Bolke, H.
Bonney, Hugh H.
Bonnycastle, Law C.
Bonus, John L.
Bonus, W. H.
Bonyun, Denis F.
Booth, Dr. C. W.
Booth, Ross W.
Borins, Stephen
Bosanquet, L. C.
Botnick, Harry P.
Bourne, F. R.
Bourne, J. H.
Bowden, Frank
Bowden, John A.
Bowen, Walter M.
Bower, M. E.
Bowes, David
Boyce, W. M.
Boyko, Jos.
Boyle, B. E.
Boylen, M. James
Boylen, Lt. Col. P. F.
Brace, Wm.
Bradshaw, James A.
Bradshaw, Richard B.
Bradshaw, Robert H.
Bragg, Floyd H.
Bragg, R. W.
Brain, George M.
Braithwaite, L. A.
Bramm, Geo. V., M.E.I.C.
Brander, F. Gerald
Brannan, C. C.
Branson, C.
Brant, Reuben
Breckenridge, R. J.
Breen, J. M.
Bregman, S.
Brennan, Lt. Col. D. A.
Brent, John E.
Brethour, E. J.
Brett, H. O.
Breuer, K.
Breukelman, W. A.
Breuls, Dr. A. M.
Brighton, A. G.
Brinklow, E.
Brissenden, W. G.
Britten, T. B.
Broad, F. Ralph
Broad, R. L.
Broadley, J. E.
Brock, Frederick W.
Brodey, Peter E.
Brodie, Robert
Brodsky, Jack
Brooks, Dr. Clarence E.
Brooks, Herbert
Brooks-Hill, F. B.

Broomfield, George
Brown, Arthur E.
Brown, David J.
Brown, Eric J.
Brown, George M.
Brown, Brig. H. E., O.B.E., E.D., C.D.
Brown, Hugh E.
Brown, J. Sommerville
Brown, Mannie
Brown, Ronald A. W.
Brown, T. F. S.
Brownbill, H. F.
Browne, W. Herman
Brumell, J. K.
Brundage, C.
Brunskill, A. M.
Bruton, M. W.
Bryson, David M.
Buck, H. D. R.
Buckley, R. J.
Buddenhagen, W. C.
Buell, E. J., Jr.
Bull, R. J.
Bundy, Robert G.
Bunting, C. A.
Bunting, Pearce
Bunton, B. James
Burden, J. M., Q.C.
Burgess, Arthur C.
Burgess, C. Norman
Burgess, H. T.
Burgess, R. B.
Burke, E. T. C.
Burke, F. Eric
Burke, H. Gwynne
Burn, Kenneth
Burnard, F. S.
Burnham, Arthur J.
Burns, James E.
Burns, Lt. Col. L. J. W.
Burnside, Ed. G.
Burrows, R. G., Q.C.
Burry, C. J.
Burton, Chas. G.
Burton, Lt. Col. G. A.
Bury, George J.
Bussey, Arthur
Bussin, John J.
Bustard, T. W.
Butler, Ian
Butt, Douglas R.
Butt, Leonard W.
Buy, Rodney

Cadesky, L.
Caird, J. F.
Cairns, Richard B.
Cairns, Victor R.
Cairns, Wm. D.
Calderone, Gus V.
Cale, W. R.
Calladine, Eric A.
Calvert, W.
Calvo, George
Cameron, Donald R.
Cameron, E. Rodney
Cameron, George M.
Cameron, Lochiel
Cameron, R. C.
Campbell, A. M.
Campbell, A. McE.
Campbell, D. L.
Campbell, E. M.
Campbell, H. C.
Campbell, John R., Q.C.
Campbell, J. W. M.
Campbell, Paul J.
Campbell, Robt. E.
Campbell, W. Allan
Campbell, W. S.
Camps, John F. A.
Cane, A.
Canham, W. G.
Cappe, Joe
Cappe, N. R., Q.C.
Cardy, A .Gordon
Carey, A. R.
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Carnegie, A. D.
Carpenter, Raymond H.
Carpenter, Dr. T. A.
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Carradus, Capt. H. R.
Carrick, Donald, Q.C.
Carthew, Fred W.
Carruthers, G. L.
Carson, C. E.
Carson, James L.
Carson, R. B.
Carter, Judge A. M.
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Cary, Leonard D.
Casey, D. W.
Casey, E. M.
Cassels, Gordon T.
Casserly, F. W.
Casson, Richard
Catto, John
Cauley, J. F.
Cavoukian, Artin
Chadsey, P. J.
Chadwick, D. T., A.R.I.C.S., A.M.T.P.I.C.
Chaffe, Richard S.
Chalmers, Floyd S.
Chalmers, G. W.
Chambers, H. J. A.
Champion, R. H.
Chandler, Frank G.
Chant, Dixon S.
Chapman, S. F.
Chapman, Wm.
Chard, Thomas
Charlebois, John P.
Charlton, A. E.
Chase, T. Millar
Checkley, J. W.
Chester, Lane R.
Chetwynd, Arthur
Chipman, Ray L.
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Chisholm, Robt. F.
Chittick, W. J. H.
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Chrysler, H. W.
Ciglen, Samuel, Q.C.
Clark, A. S
Clark, Donald B.
Clark, George F.
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Clarke, K. H. J.
Clarry, John H. C.
Clayman, B.
Clifford, C. Thomas
Clubb, C. V.
Clute, F. J.
Clute, Reginald L.
Coaten, J. L. M.
Cohen, John C.
Coke, Major E. F.
Cole, T. F. C.
Colebourn, Victor K.
Collett, W. M.
Collier, W. R.
Collins, Arnold P.
Collins-Williams, G. W.
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Conn, Dr. A. W.
Connell, John A.
Conner, Gordon
Conquergood, C. R.
Conrad, J. C. P.
Consulat General France
Coo, H. Douglas
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Cook, Douglas H.
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Cook, G. A.
Cook, H. E.
Cook, R. A.
Cook, W. F.
Cooke, Geo. A.
Coolican, Denis M.
Cooling, H. T.
Cooper, G. E.
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Cope, F. N.
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Corcoran, C. J.
Cork, E. Kendall
Corlett, Alva R.
Corlett, G. H.
Cormack, Dr. G. D.
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Corson, C. R.
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Cosbie, Dr. W. G., M.C.
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Cowan, W. D.
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Cowper, David B.
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Crossingham, J. H.
Crossley, Donald G.
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Cummins, R. L.
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Currell, Lt. Col. L. W.
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Currie, Percival H.
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Curry, T. E.
Curtis, G. H.
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Davey, I. E.
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Davis, M. B. W.
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Finlayson, Gordon W.
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Fisher, A. J. M.
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Fisher, J. Taylor
Fisher, Stan G.
Fitch, T. S.
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Freeman, D. H.
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Freyseng, Willis P.
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Friesen, Frank
Frittenburg, G. D.
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Frost, Major C. S., M.C.
Frost, Edward C.
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Fullerton, J. A.
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Gary, Cy.
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German, V. C.
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Gervais, Morris
Gianelli, Brig. N. A.
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Grasett, H. W. S.
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Gray, Gordon C.
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Haynes, Eric H.
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Heather, H. H.
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Henry, Edwin M.
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Kernaghan, K. W., Q.C.
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Kershaw, D.
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Kidd, Hon. T. Ashmore
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King, Christopher C.
King, Edward O.
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King, Terence A. S.
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Kirschbaum, Dr. Jos. M.
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Knight, J. F.
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Lacey, Rev. E. C.
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Laidley, Chas. M.
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Lake, Capt. J. F.
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Lampert, H.
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Lang, D. W.
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Large, Peter K.
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Lawrence, Richard L.
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Leadbeater, Wm. J.
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Learmonth, Lt. Col. Wm. R.
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Morton, Brig. R. E. A., D.S.O.
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Mutton, Gerald C.
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Neish, Wm. J.
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Newby, H. D. R.
Newman, H. A., Q.C.
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Notley, Norman J.
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O'Leary, Martin J.
Oliver, Thos. O.
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Olver, A. S.
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O'Mejer, Major T. Odegard
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Ormonde, G. E. B.
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Osborne, R. D.
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Parks, Captain Arthur H.
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Partington, Eric
Partridge, W. T.
Paterson, Ian
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Powley, B. G.
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Prentice, D. H.
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Pretty, David W.
Price, Grenville C.
Price, Harry I.
Price, Vincent, Q.C.
Prince, H. R.
Pringle, Donald M.
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Procter, W. Harley
Proctor, John S.
Proverbs, C. I.
Prowse, Donald F.
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Schlimme, C. K.
Schroeder, Gordon D.
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Scott, Richard H. A.
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Scott, Wilfrid R.
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Seaton, Dr. D. G.
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Seccombe, N. M.
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Sellers, Dr. Alfred

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Shales, R. I.
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Sharp, The Hon. Mitchell
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